

# SPECIAL PROVISIONS APPROPRIATIONS SUBCOMMITTEE ON HEALTH AND HUMAN SERVICES REPORT

# MAY 27, 2010

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#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H1(S10.1)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### ELECTRONIC BENEFITS TRANSFER SYSTEM

**SECTION 10.1.** The Department of Health and Human Services, Division of Child Development, shall implement an Electronic Benefits Transfer system for child care subsidy. The Department shall review all current electronic card system operations as related to Child Support Enforcement and Food and Nutrition to determine whether coordination may occur among the three-card systems that result in cost-savings.

The Department shall monitor the implementation of the "smart card" system pilot program in Georgia and implementation of the Medicaid Access Card in Texas. The Department shall submit a report to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on the implementation of Georgia's pilot program and Texas' Medicaid Access Card and provide any recommendations for a card system program in this State by May 1, 2011.

#### Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H2(S10.2)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

	Requested by.	Representative
1	CHANGES TO	POLICIES TO FACILITATE AND EXPEDITE USE OF CHILD CARE
2	SUBSIDY F	UNDS
3	SECT	<b>FION 10.2.(a)</b> Section 10.4 of S.L. 2009-451 reads as rewritten:
4	"SECTION	<b>10.4.</b> The Division of Child Development of the Department of Health and
5	<b>Human Services</b>	shall adopt temporary policies that that: (i) facilitate and expedite the prudent
6	expenditure of ch	nild care subsidy funds. These policies will address the following:
7	<del>(1)</del>	Permitting the local purchasing agencies to issue time-limited vouchers to
8		assist counties in managing onetime, nonrecurring subsidy funding.
9	<del>(2)</del>	Extending the current 30/60 day job search policy to six months when a
10		recipient experiences a loss of employment.
11	<del>(3)</del>	Providing an upfront job search period of six months for applicants who
12		have lost employment since October 1, 2008.
13	<del>(4)</del>	Providing a job search period of six months for recipients who complete
14		school and are entering the job market.
15	<del>(5)</del>	Notwithstanding any other provision of law, extending the 24-month
16		education time limit for an additional 12 months for a child care recipient
17		who has lost a job since October 1, 2008, or otherwise needs additional
18		training to enhance his or her marketable skills for job placement due to the
19		economic downturn and who has depleted his or her 24-month allowable
20		education time.
21	<del>(6)</del>	Lowering funds, and (ii) address lowering the number of hours a parent must
22		be working in orderwork to be eligible for subsidy to assist parents who are
23		continuing to work but at reduced hours. work at least 20 hours per week."
24	SECT	<b>TION 10.2.(b)</b> This section becomes effective October 1, 2010.

#### Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H3(S10.3)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

1 EARLY CHILDHOOD EDUCATION AND DEVELOPMENT INITIATIVES
2 ENHANCEMENTS
3 SECTION 10.3. Section 10.7.(g) of S.L. 2009-451 reads as rewritten:
4 "SECTION 10.7.(g) For fiscal years 2009-2010 and 2010-2011, the local partnerships
5 shall spend an amount for child care subsidies that provides at least fifty-two million dollars

6 (\$52,000,000) for the TANF maintenance of effort requirement and the Child Care 7 Development Fund and Block Grant match requirement. The Department of Health and Human

8 Services shall determine the level of funds that need to be expended in order to draw down all

federal recovery funds and shall direct the local partnerships to spend at least at the determined

10 level. The local partnerships shall not spend at a level less than that directed by the

11 Department."

### Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H5(S10.5)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

Requested by: Representative ADMINISTRATIVE ALLOWANCE FOR COUNTY DEPARTMENTS OF SOCIAL 1 2 **SERVICES SECTION 10.5.** Section 10.10 of S.L. 2009-451 reads as rewritten: 3 "SECTION 10.10. The Division of Child Development of the Department of Health and 4 Human Services shall increase the allowance that county departments of social services may 5 use for administrative costs from four percent (4%) to five percent (5%) of the county's total 7 child care subsidy funds allocated in the Child Care Development Fund Block Grant plan. The increase shall be effective for the 2009-2010 fiscal year.and 2010-2011 fiscal years."

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H45-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### CAP-MR/DD STATE FUND SERVICE ELIGIBILITY

**SECTION #.** Section 10.21B of S.L. 2009-451 reads as rewritten:

"SECTION 10.21B. Except as otherwise provided in this section for former Thomas S. recipients and recipients with high behavioral needs described in this section, CAP-MR/DD recipients are not eligible for any State-funded services except for those services for which there is not a comparable service in the CAP-MR/DD waiver. The excepted services are limited to guardianship, room and board, and time-limited supplemental staffing to stabilize residential placement. Former Thomas S. recipients currently living in community placements may continue to receive State-funded services. In recognition of CAP-MR/DD recipients with high behavioral needs that exceed the services available under the current CAP-MR/DD waiver, and in recognition of the need for supplemental staffing for these recipients in order to maintain their placement in the community, the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, shall develop a procedure to review and approve or deny requests for State-funded supplemental staffing for individuals receiving services through the CAP-MR/DD waiver who (i) reside in small residential placements, (ii) have a high intensity of behavioral needs, and (iii) require supervision 24 hours per day, seven days per week, as evidenced by a score of 4 or 5 for both behavioral severity and supervision on the North Carolina Supports Needs Assessment Profile and as corroborated by a behavior support plan and a Supports Intensity Scale assessment."

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H9(S10.9)i

# **Department of Health and Human Services Appropriations Subcommittee on Health and Human Services**

Requested by: Representative

1 2 JOINT STUDY COMMITTEE ON AUTISM SPECTRUM DISORDERS AND PUBLIC **SAFETY** 

**SECTION 10.9.** Section 10.21D.(i) of S.L. 2009-451 reads as rewritten:

3 4 "SECTION 10.21D.(i) The Committee may submit an interim report on the results of its 5 study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before May 1, 2010, by filing a copy of the report with the Office of the 6 7 President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The Committee shall submit a final report on the results of its study, including any proposed legislation, to the members of the Senate and the House of Representatives on or before December 31, 2010, upon the completion of its work by 10 11 filing a copy of the report with the Office of the President Pro Tempore of the Senate, the Office of the Speaker of the House of Representatives, and the Legislative Library. The 12 Committee shall terminate on December 31, 2010, or upon the filing of is final report, 13 14 whichever occurs first.upon the completion of its work."

#### Session 2009

### DRAFT SPECIAL PROVISION



#### 2010-DHHS-H10(S10.10)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### CLOSURE PLAN FOR DOROTHEA DIX HOSPITAL

**SECTION 10.10.** The Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall do all of the following with respect to Dorothea Dix Hospital:

- (1) By August 1, 2010, submit an operations budget for the 2010-2011 fiscal year to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.
- (2) By October 1, 2010, develop and submit a plan for closing the hospital no later than June 30, 2011, to the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division.

#### Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H50-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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1 CHANGE EFFECTIVE DATE FOR WELL TESTING

**SECTION #.** Section 4 of S.L. 2009-124 reads as rewritten:

3 "SECTION 4. Section 1 of this act becomes effective October 1, 2010.2012. The

4 remainder of the act is effective when it becomes law."

#### Session 2009

## DRAFT SPECIAL PROVISION

INITIATIVE

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#### 2010-DHHS-H11(S10.11)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

Requested by: Representative

CHANGES TO COMMUNITY-FOCUSED ELIMINATING HEALTH DISPARITIES

**SECTION 10.11.** Section 10.23.(c) of S.L. 2009-451 reads as rewritten:

"SECTION 10.23.(c) The Department of Health and Human Services shall report on the following with respect to funds appropriated to the CFEHDI for the 2009-2010 fiscal year. The report shall address the following:

- (1) Which community programs and local health departments received CFEHDI grants.
- (2) The amount of funding each program or local health department received.
- (3) Which of the minority populations were served by the programs or local health departments.
- (4) Which counties were served by the programs or local health departments.
- (5) What activities were planned and implemented by the programs or local health departments to fulfill the community focus of the CFEHDI program.
- (6) How the activities implemented by the programs or local health departments fulfilled the goal of reducing health disparities among minority populations.

The report shall also include specific activities undertaken pursuant to subsection (a) of this section to address large gaps in health status among North Carolinians who are African-American and other minority populations in this State. The Department shall submit the report not later than March 15, 2010, March 14, 2011, to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division."

#### Session 2009

## DRAFT SPECIAL PROVISION



#### 2010-DHHS-H13(S10.13)-P

# **Department of Health and Human Services Appropriations Subcommittee on Health and Human Services**

**Requested by:** Representative

#### **IMMUNIZATION CHANGES** 1

SECTION 10.13. Section 10.29A of S.L. 2009-451 is amended by adding a new subsection to read:

- "(c) The General Assembly finds that health insurers licensed to practice in this State currently provide reimbursement for the full series of standard immunizations recommended by the federal Centers for Disease Control and Prevention (CDC) and the American Academy of Family Physicians and required by the North Carolina Immunization Program. The covered immunizations include all of the following:
  - Diphtheria, Pertussis, Tetanus Toxoid (DPT). (1)
- 10 (2) Polio.

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- 11 (3) Measles, Mumps, Rubella (MMR).
- Influenza. 12 (4)
- 13 (5) Pneumococcal vaccine.
- 14 Human Papilloma virus (HPV). (6)
- 15 Haemophilus Influenzae Type b (Hib) vaccine. (7)
- (8) Hepatitis B. 16
- 17 Meningococcal vaccine. (9)
- 18 (10)Chicken Pox.
- 19 (11)Rotavirus.
- 20 The General Assembly also finds that, consistent with G.S. 130A-153, physicians and local health departments currently administer the required immunizations listed in subdivisions (1) 21 through (11) of this subsection, which are supplied by the federal government at no cost 22 23 through the Vaccine For Children (VFC) program, to uninsured and underinsured children with incomes below two hundred percent (200%) of the federal poverty level. Therefore, the 24 General Assembly eliminates the State appropriation for the purchase of childhood vaccines for 25
- which health care providers, including local health departments, should be billing health
- 26
- 27 insurers."

#### Session 2009

## DRAFT SPECIAL PROVISION



2010-DHHS-H14(S10.14)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### NORTH CAROLINA HEALTH CHOICE EMERGENCY ROOM VISIT CO-PAYMENTS

SECTION 10.14. Under the North Carolina Health Choice Program for Children, the co-payment for nonemergency visits to the emergency room for children whose family income is at or below one hundred fifty percent (150%) of the federal poverty level is ten dollars (\$10.00). The co-payment for children whose family income is between one hundred fifty-one percent (151%) and two hundred percent (200%) of the federal poverty level is twenty-five dollars (\$25.00).

#### Session 2009

### DRAFT SPECIAL PROVISION



#### 2010-DHHS-H15(S10.15)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### COMMUNITY CARE OF NORTH CAROLINA

**SECTION 10.15.** Section 10.36 of S.L. 2009-451 reads as rewritten:

"SECTION 10.36.(a) Given the primary care case management foundation established by Community Care of North Carolina (CCNC), the Department shall build upon that foundation to ensure quality care and cost control of care provided to Medicaid patients.

"SECTION 10.36.(b) The Department shall contract with CCNC participating physicians and local CCNC networks to manage the care of Medicaid recipients through a per member per month reimbursement.

"SECTION 10.36.(e) The Department shall ensure that, through CCNC participating physicians and networks, the Department is striving to follow tenets adapted from the National Committee of Quality Assurance's (NCQA) national measures for patient-centered Medical Homes Models. The Department shall consult with local CCNC networks to achieve all of the following:

- (1) Identify priority diseases, conditions, and patients for care management.
- (2) Develop, adopt, and implement protocols for consistent and effective care management of those diseases, conditions, and patients.
- (3) Identify data elements necessary for effective delivery and management of medical care and care management services.
- (4) Develop and implement a system to measure, analyze, and report clinical performance and service performance by physicians and networks.

"SECTION 10.36.(d) Consistent with subdivision (1) of subsection (c) of this section, the Department shall (i) identify baseline data on priority diseases, conditions, patients, and populations, and on physicians and networks; (ii) identify patient, physician, and network performance measures, and (iii) develop and implement data systems to gather, analyze, and report on those performance measures. The Department shall begin work immediately to implement this subsection.

"SECTION 10.36.(e) The Department shall report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than December 31, 2009, on the performance measures adopted pursuant to subsection (d) of this section. Beginning July 1, 2010, and every six months thereafter, the Department shall submit a report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division evaluating the performance of each of the 14 CCNC Networks based on the performance measures adopted pursuant to subsection (d) of this section.

"SECTION 10.36.(f) The Department of Health and Human Services (Department) shall conduct a Request for Proposal process to solicit bids from qualified outside entities with proven experience in conducting actuarial and health care studies and evaluations to annually

report on the Medicaid cost savings achieved by the CCNC Community Care of North Carolina (CCNC) networks during a 12-month period. Beginning December 31, 2010, March 1, 2011, and every year thereafter, the Department shall submit a report on the Medicaid cost savings achieved by the CCNC networks, which shall include children, adults, and the aged, blind, and disabled, to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

"SECTION 10.36.(g) By October 1, 2010, the Department and the Division of Medical Assistance (DMA) shall contract with North Carolina Community Care Networks, Inc., (NCCCN, Inc.) and the 14 participating local CCNC networks represented by NCCCN, Inc., to provide standardized clinical and budgetary coordination, oversight, and reporting for a statewide Enhanced Primary Care Management System for Medicaid enrollees. The contract with NCCCN, Inc., shall build upon and expand the existing successful CCNC primary care case management model to include comprehensive statewide quantitative performance goals and deliverables which shall include all of the following areas: (i) service utilization management, (ii) budget analytics, (iii) budget forecasting methodologies, (iv) quality of care analytics, (v) participant access measures, and (vi) predictable cost containment methodologies.

"SECTION 10.36.(g1) NCCCN, Inc., shall report quarterly to the Department and to the Office of State Budget and Management (OSBM) on the development of the statewide Enhanced Primary Care Management System and its defined goals and deliverables as agreed upon in the contract. Beginning July 1, 2010, NCCCN, Inc., shall submit a quarterly report to the Secretary of Health and Human Services, OSBM, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division on the progress and results of implementing the quantitative, analytical, utilization, quality, cost containment, and access goals and deliverables set out in the contract. NCCCN, Inc., shall conduct its own analysis of the CCNC system to identify any variations from the development plan for the Enhanced Primary Care Management System and its defined goals and deliverables set out in the contract between DMA and NCCCN, Inc. Upon identifying any variations, NCCCN, Inc., shall report the plan to DMA within 30 days after taking any action to implement the plan.

"SECTION 10.36.(h) By July 1, 2011, the Department and OSBM shall assess the performance of NCCCN, Inc., and CCNC regarding the goals and deliverables established in the contract. Based on this assessment, the Department and DMA shall expand, cancel, or alter the contract with NCCCN, Inc., and CCNC effective October 1, 2011. Expansion or alteration of the contract may reflect refinements based on clearly identified goals and deliverables in the areas of quality of care, participant access, cost containment, and service delivery.

"SECTION 10.36.(i) By July 1, 2012, the Department, DMA, and NCCCN, Inc., shall finalize a comprehensive plan that establishes management methodologies which include all of the following: (i) quality of care measures, (ii) utilization measures, (iii) recipient access measures, (iv) performance incentive models in which past experience indicates a benefit from financial incentives, (v) accountable budget models, (vi) shared savings budget models, and (vii) budget forecasting analytics as agreed upon by the Department, DMA, and NCCCN, Inc. In the development of these methodologies, the Department, DMA, and NCCCN, Inc., shall consider options for shared risk. The Department and DMA shall provide assistance to NCCCN, Inc., in meeting the objectives of this section.

"SECTION 10.36.(j) Beginning with the 2010-2011 fiscal year, the Department shall establish a separate line item in Budget Code 14445 for all expenditures in DMA associated

- with managed care activities pertaining to the utilization of Medicaid expenditures through
   CCNC.
- 3 "SECTION 10.36.(k) The Department shall not increase the per member per month 4 reimbursement rate to CCNC without prior approval from the General Assembly."

Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H16(S10.16)i

# **Department of Health and Human Services Appropriations Subcommittee on Health and Human Services**

Requested by: Representative

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**MEDICAID INFORMATION** 1 *MANAGEMENT* **SYSTEM** (MMIS) 2

FUNDS/IMPLEMENTATION OF MMIS

**SECTION 10.16.** Section 10.41.(a) of S.L. 2009-451 reads as rewritten:

"SECTION 10.41.(a) Of the funds appropriated in this act to the Department of Health and Human Services (Department), the sum of ten million seven hundred sixty-five thousand one hundred fifty three dollars (\$10,765,153) for fiscal year 2009-2010 and the sum of eight million sixty-four thousand one hundred twenty-eight dollars (\$8,064,128) eleven million seven hundred thirty-seven thousand four hundred fourteen dollars (\$11,737,414) for fiscal year 2010-2011 shall be (i) deposited to the Department's information technology budget code and (ii) used to match federal funds for the procurement, design, development, and implementation of the new Medicaid Management Information System (MMIS) and to fund the central management of the project. The Department shall utilize all prior year earned revenues received for the MMIS. In the event that the Department does not receive prior year earned revenues in the amounts authorized by this section, the Department is authorized, with approval of the Office of State Budget and Management, to utilize other overrealized receipts and funds appropriated to the Department to achieve the level of funding specified in this section for the MMIS."

#### Session 2009

## DRAFT SPECIAL PROVISION



#### 2010-DHHS-H17(S10.17)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### ELIMINATE STATE FUNDING FOR CHILD SUPPORT OFFICES

**SECTION 10.17.** Section 10.46A of S.L. 2009-451 is amended by adding a new subsection to read:

"SECTION 10.46A.(c) Notwithstanding G.S. 143-64.03 and G.S. 143-64.05, the Secretary of Department of Health and Human Services may transfer State-owned equipment, including computers, printers, and furniture, used by State-operated child support offices to administer child support enforcement programs to a county government or the Eastern Band of the Cherokee Indians for the sole purpose of facilitating the county government or the Eastern Band of the Cherokee Indians' administration of the child support program. The transfer shall be at no cost to the county government or the Eastern Band of the Cherokee Indians and shall occur no later than July 1, 2010.

The county government or the Eastern Band of the Cherokee Indians assuming responsibility for the child support program effective July 1, 2010, shall identify from the existing equipment and office furnishings which items will be needed to administer the child support program. A comprehensive list of items to be transferred shall be compiled and signed by the manager of the State-operated child support office and the manager of the county or tribal child support office and the signed list shall serve as official documentation of the transfer. Copies of the documentation shall be provided to the Department of Health and Human Services Controller's Office and the Department of Administration. Any equipment not included in the transfer shall revert to the Department of Administration, Division of Surplus Property."

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H18(S10.18)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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# CHILD WELFARE POSTSECONDARY SUPPORT PROGRAM/USE OF ESCHEAT FUND

**SECTION 10.18.** Section 10.50 of S.L. 2009-451 reads as rewritten:

"SECTION 10.50.(a) There is appropriated from the Escheat Fund income to the Department of Health and Human Services the sum of three million one hundred sixty-eight thousand two hundred fifty dollars (\$3,168,250) for the 2009-2010 fiscal year. These funds shall be used to support the child welfare postsecondary support program for the educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12 by providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C. § 1087II. The Department shall collaborate with the State Education Assistance Authority to develop policies and procedures for the distribution of these funds.

If the interest income generated from the Escheat Fund is less than the amounts referenced in this section, the difference may be taken from the Escheat Fund principal to reach the appropriations referenced in this section; however, under no circumstances shall the Escheat Fund principal be reduced below the sum required in G.S. 116B-6(f).

Funds appropriated by this subsection shall be allocated by the State Education Assistance Authority.

The purpose for which funds are appropriated under this section is in addition to other purposes for which Escheat Fund income is distributed under G.S. 116B-7 and shall not be construed to otherwise affect the distribution of funds under G.S. 116B-7.

"SECTION 10.50.(a1) Of the funds appropriated from the General Fund to the Department of Health and Human Services, the sum of three million one hundred sixty-eight thousand two hundred fifty dollars (\$3,168,250)one million five hundred eighty-four thousand one hundred twenty-five dollars (\$1,584,125) for the 2010-2011 fiscal year shall be used to support the child welfare postsecondary support program for the educational needs of foster youth aging out of the foster care system and special needs children adopted from foster care after age 12 by providing assistance with the "cost of attendance" as that term is defined in 20 U.S.C. § 1087II.

Funds appropriated by this subsection shall be allocated by the State Education Assistance Authority.

"SECTION 10.50.(b) Of the funds appropriated from the General Fund to the Department of Health and Human Services the sum of fifty thousand dollars (\$50,000) for the 2009-2010 fiscal year and the sum of fifty thousand dollars (\$50,000) for the 2010-2011 fiscal year shall be allocated to the North Carolina State Education Assistance Authority (SEAA). The SEAA shall use these funds only to perform administrative functions necessary to manage and distribute scholarship funds under the child welfare postsecondary support program.

"SECTION 10.50.(c) Of the funds appropriated from the General Fund to the Department of Health and Human Services the sum of five hundred thousand dollars (\$500,000) for the

2009-2010 fiscal year and the sum of five hundred thousand dollars (\$500,000)three hundred thirty-nine thousand four hundred ninety-three dollars (\$339,493) for the 2010-2011 fiscal year shall be used to contract with an entity to develop and administer the child welfare postsecondary support program described under subsection (a) of this section, which development and administration shall include the performance of case management services.

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6 7 "SECTION 10.50.(d) Funds appropriated to the Department of Health and Human Services for the child welfare postsecondary support program shall be used only for students attending public institutions of higher education in this State."

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H19(S10.19)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

#### TANF BENEFIT IMPLEMENTATION

**SECTION 10.19.** Section 10.51 of S.L. 2009-451 reads as rewritten:

"SECTION 10.51.(a) The General Assembly approves the plan titled "North Carolina Temporary Assistance for Needy Families State Plan FY 2009-2011,"2010-2012," prepared by the Department of Health and Human Services and presented to the General Assembly. The North Carolina Temporary Assistance for Needy Families State Plan covers the period October 1, 2009,2010, through September 30, 2011-2012. The Department shall submit the State Plan, as revised in accordance with subsection (b) of this section, to the United States Department of Health and Human Services, as amended by this act or any other act of the 2009 General Assembly.

"SECTION 10.51.(b) The counties approved as Electing Counties in the North Carolina Temporary Assistance for Needy Families State Plan FY 2009-2011,2010-2012, as approved by this section are: Beaufort, Caldwell, Catawba, Lenoir, Lincoln, Macon, and Wilson.

"SECTION 10.51.(c) Counties that submitted the letter of intent to remain as an Electing County or to be redesignated as an Electing County and the accompanying county plan for fiscal years 2009 through 2011, pursuant to G.S. 108A-27(e), shall operate under the Electing County budget requirements effective July 1, 2009. For programmatic purposes, all counties referred to in this subsection shall-may remain under their current county designation through September 30, 2009-2012.

"SECTION 10.51.(d) For the 2009-20102010-2011 fiscal year, Electing Counties shall be held harmless to their Work First Family Assistance allocations for the 2008-2009 fiscal year, provided that remaining funds allocated for Work First Family Assistance and Work First Diversion Assistance are sufficient for payments made by the Department on behalf of Standard Counties pursuant to G.S. 108A-27.11(b).

"SECTION 10.51.(e) In the event that Departmental projections of Work First Family Assistance and Work First Diversion Assistance for the 2009-20102010-2011 fiscal year indicate that remaining funds are insufficient for Work First Family Assistance and Work First Diversion Assistance payments to be made on behalf of Standard Counties, the Department is authorized to deallocate funds, of those allocated to Electing Counties for Work First Family Assistance in excess of the sums set forth in G.S. 108A-27.11, up to the requisite amount for payments in Standard Counties. Prior to deallocation, the Department shall obtain approval by the Office of State Budget and Management. If the Department adjusts the allocation set forth in subsection (d) of this section, then a report shall be made to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division."

### Session 2009

## DRAFT SPECIAL PROVISION



2010-DHHS-H20(S10.20)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

1 **EXTEND REPORTING** DATE/EVALUATION OF**CONSOLIDATION** OF2 ADMINISTRATIVE FUNCTIONS OF COUNTY DEPARTMENT OF SOCIAL 3 **SERVICES** 4 **SECTION 10.20.** Section 10.52.(b) of S.L. 2009-451 reads as rewritten: "SECTION 10.52.(b) The Program Evaluation Division shall report its findings and 5 recommendations to the Senate Appropriations Committee on Health and Human Services, the 6 7 House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by December 1, 2010. February 1, 2011."

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H38-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

#### CHILDREN'S TRUST FUND

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**SECTION 10.20A.(a)** G.S. 7B-1302(a) reads as rewritten:

"(a) There is established a fund to be known as the "Children's Trust Fund," in the Department of State Treasurer, Department of Health and Human Services, Division of Social Services, which shall be funded by a portion of the marriage license fee under G.S. 161-11.1 and a portion of the special license plate fee under G.S. 20-81.12. The money in the Fund shall be used by the Division of Social Services to fund abuse and neglect prevention programs so authorized by this Article."

**SECTION 10.20A.(b)** G.S. 161-11.1(a) reads as rewritten:

"(a) Five dollars (\$5.00) of each fee collected by a register of deeds on or after October 1, 1983, for issuance of a marriage license pursuant to G.S. 161-10(a)(2) shall be forwarded, as soon as practical but no later than 60 days after collection by the register of deeds, to the county finance officer, who shall forward same to the State Treasurer Department of Health and Human Services, Division of Social Services, for deposit in the Children's Trust Fund."

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H39A-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### OFFICE OF EDUCATION SERVICES/CONSOLIDATION OF PRINCIPAL FUNCTIONS

SECTION 10.21A.(a) The Office of Education Services (OES) within the Department of Health and Human Services shall consolidate the functions of the School Director OES Residential Schools and School Principal positions located at the North Carolina School for the Deaf, Eastern North Carolina School for the Deaf, and Governor Morehead School for the Blind. In addition to the minimum qualifications for School Administrator-Principals outlined in Chapter 115C of the General Statutes and set by the Department, a person occupying the position of School Director OES Residential Schools shall be fully licensed as a School Administrator-Principal and shall have prior experience as an educator of exceptional children or as a school administrator trained in the education of exceptional children.

**SECTION 10.21A.(b)** The following positions in the Office of Education Services are hereby eliminated:

- (1) 60039101 School Principal
- (2) 60039225 School Principal
- (3) 60039380 School Administrator
- (4) 60039080 School Assistant Principal

The Office of Education Services shall ensure that elimination of these positions does not interrupt oversight of instructional programming by a fully licensed School Administrator-Principal or School Administrator-Assistant Principal at the North Carolina School for the Deaf, Eastern North Carolina School for the Deaf, or Governor Morehead School for the Blind.

**SECTION 10.21A.(c)** The Office of Education Services (OES) shall reinstate the residential and instructional schedules for the Governor Morehead School for the Blind, Eastern North Carolina School for the Deaf, and North Carolina School for the Deaf in effect before February 8, 2010. Residential students shall have the opportunity to arrive at their respective schools on the evening of the day before commencement of academic instruction for the week. OES shall also reinstate on-site summer school programming for these schools.

#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H22(S10.22)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

#### **MEDICAID POLICY CHANGES**

**SECTION 10.22.(a)** Section 10.58(d) of S.L. 2009-451 reads as rewritten:

"SECTION 10.58.(d) Services and Payment Bases. – The Department shall spend funds appropriated for Medicaid services in accordance with the following schedule of services and payment bases. All services and payments are subject to the language at the end of this subsection. Unless otherwise provided, services and payment bases will be as prescribed in the State Plan as established by the Department of Health and Human Services and may be changed with the approval of the Director of the Budget.

...

Drugs. — Reimbursements. Reimbursements shall be available for prescription drugs as allowed by federal regulations plus a professional services fee per month, excluding refills for the same drug or generic equivalent during the same month. Payments for drugs are subject to the provisions of this subdivision or in accordance with the State Plan adopted by the Department of Health and Human Services, consistent with federal reimbursement regulations. Payment of the professional services fee shall be made in accordance with the State Plan adopted by the Department of Health and Human Services, consistent with federal reimbursement regulations. The professional services fee shall be five dollars and sixty cents (\$5.60) per prescription for generic drugs and four dollars (\$4.00) per prescription for brand-name drugs. Adjustments to the professional services fee shall be established by the General Assembly. In addition to the professional services fee, the Department may pay an enhanced fee for pharmacy services.

Limitations on quantity. – The Department of Health and Human Services may establish authorizations, limitations, and reviews for specific drugs, drug classes, brands, or quantities in order to manage effectively the Medicaid pharmacy program, except that the Department shall not impose limitations on brand-name medications for which there is a generic equivalent in cases where the prescriber has determined, at the time the drug is prescribed, that the brand-name drug is medically necessary and has written on the prescription order the phrase "medically necessary." program. The Department may impose prior authorization requirements on brand-name drugs for which the phrase "medically necessary" is written on the prescription.

Dispensing of generic drugs. – Notwithstanding G.S. 90-85.27 through G.S. 90-85.31, or any other law to the contrary, under the Medical Assistance Program (Title XIX of the Social Security Act), and except as otherwise provided in this subsection for drugs listed in the narrow

2010-DHHS-H22(S10.22)-P [v7], LU, Modified 5/26/10 9:06 PM

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therapeutic index, a prescription order for a drug designated by a trade or brand name shall be considered to be an order for the drug by its established or generic name, except when the prescriber has determined, at the time the drug is prescribed, that the brand-name drug is medically necessary and has written on the prescription order the phrase "medically necessary." An initial prescription order for a drug listed in the narrow therapeutic drug index that does not contain the phrase "medically necessary" shall be considered an order for the drug by its established or generic name, except that a pharmacy shall not substitute a generic or established name prescription drug for subsequent brand or trade name prescription orders of the same prescription drug without explicit oral or written approval of the prescriber given at the time the order is filled. Generic drugs shall be dispensed at a lower cost to the Medical Assistance Program rather than trade or brand-name drugs. Notwithstanding this subdivision to the contrary, the Secretary of Health and Human Services may prevent substitution of a generic equivalent drug, including a generic equivalent that is on the State maximum allowable cost list, when the net cost to the State of the brand-name drug, after consideration of all rebates, is less than the cost of the generic equivalent. As used in this subsection, "brand name" means the proprietary name the manufacturer places upon a drug product or on its container, label, or wrapping at the time of packaging; and "established name" has the same meaning as in section 502(e)(3) of the Federal Food, Drug, and Cosmetic Act, as amended, 21 U.S.C. § 352(e)(3).

Prior authorization. – The Department of Health and Human Services shall not impose prior authorization requirements or other restrictions under the State Medical Assistance Program on medications prescribed for Medicaid recipients for the treatment of (i) mental illness, including, but not limited to, medications for schizophrenia, bipolar disorder, major depressive disorder or (ii) HIV/AIDS, except that the Department of Health and Human Services shall continually review utilization of medications under the State Medical Assistance Program prescribed for Medicaid recipients for the treatment of mental illness, including, but not limited to, medications for schizophrenia, bipolar disorder, or major depressive disorder. The Department may, however, with respect to drugs to treat mental illnesses, develop guidelines and measures to ensure appropriate usage of these medications, including FDA-approved indications and dosage levels. (ii) HIV/AIDS. Medications prescribed for the treatment of mental illness shall be included on the Preferred Drug List (PDL). The Department of Health and Human Services, Division of Medical Assistance, may initiate prior authorization for the prescribing of drugs specified for the treatment of mental illness for the purpose of identifying providers who fail to prescribe those drugs in accordance with indications and dosage levels approved by the federal Food and Drug Administration. The Department may also require retrospective clinical justification for the use of multiple psychotropic drugs for a Medicaid patient. For individuals 18 years of age and under who are prescribed three or more psychotropic medications, the Department shall implement clinical edits that target inefficient, ineffective, or potentially harmful prescribing patterns. When such patterns are identified, the Medical Director for the Division of Medical Assistance and the Chief of Clinical

1 2 3 4		Policy for the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services shall require a peer-to-peer consultation with the target prescribers. Alternatives discussed during the peer-to-peer consultations shall be based upon:
5		a. Evidence-based criteria available regarding efficacy or safety of the covered treatments; and
7		b. Policy approval by a majority vote of the North Carolina Physicians
8		Advisory Group (NCPAG).
9		The target prescriber has final decision-making authority to determine which
10		prescription drug to prescribe or refill.
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12	<u>(30)</u>	Experimental or trial procedures. – Coverage is limited to procedures that
13		are recognized or approved by a nationally recognized professional specialty
14		organization.
15	<u>(31)</u>	Medicaid as secondary payer claims The Department shall apply
16		Medicaid medical policy to recipients who have primary insurance other
17		than Medicare, Medicare Advantage, and Medicaid. The Department shall
18		pay an amount up to the actual coinsurance or deductible or both, in
19		accordance with the State Plan, as approved by the Department of Health
20		and Human Services. The Department may disregard application of this
21		policy in cases where application of the policy would adversely affect
22		patient care."
23	SECT	FION 10.22.(b) Section 10.58(e) of S.L. 2009-451 reads as rewritten:
24		10.58.(e) Provider Performance Bonds and Visits. –
25	(1)	Subject to the provisions of this subdivision, the Department may require
26	<b>、</b> /	Medicaid-enrolled providers to purchase a performance bond in an amount
27		not to exceed one hundred thousand dollars (\$100,000) naming as
28		beneficiary the Department of Health and Human Services, Division of
29		Medical Assistance, or provide to the Department a validly executed letter of
30		credit or other financial instrument issued by a financial institution or agency
31		honoring a demand for payment in an equivalent amount. The Department
32		may require the purchase of a performance bond or the submission of an
33		executed letter of credit or financial instrument as a condition of initial
34		enrollment, reenrollment, or reinstatement if:
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		and abuse,
38		c. The Department otherwise finds it is in the best interest of the
39		Medicaid program to do so.
40		The Department shall specify the circumstances under which a performance
41	(1.)	bond or executed letter of credit will be required.
42	(1a)	The Department may waive or limit the requirements of this paragraph for
43		individual Medicaid-enrolled providers or for one or more classes of
44		Medicaid-enrolled providers based on the following:
45		a. The provider's or provider class's dollar amount of monthly billings
46		to Medicaid.
47		b. The length of time an individual provider has been licensed,
48		endorsed, certified, or accredited in this State to provide services.

- c. The length of time an individual provider has been enrolled to provide Medicaid services in this State.
- d. The provider's demonstrated ability to ensure adequate record keeping, staffing, and services.
- e. The need to ensure adequate access to care.

 In waiving or limiting requirements of this paragraph, the Department shall take into consideration the potential fiscal impact of the waiver or limitation on the State Medicaid Program. The Department shall provide to the affected provider written notice of the findings upon which its action is based and shall include the performance bond requirements and the conditions under which a waiver or limitation apply. The Department may adopt temporary rules in accordance with G.S. 150B-21.1 as necessary to implement this provision.

(2) Reimbursement is available for up to 30 visits per recipient per fiscal year for the following professional services: hospital outpatient providers, physicians, nurse practitioners, nurse midwives, clinics, health departments, optometrists, chiropractors, and podiatrists. The Department of Health and Human Services shall adopt medical policies in accordance with G.S. 108A-54.2 to distribute the allowable number of visits for each service or each group of services consistent with federal law. In addition, the Department shall establish a threshold of some number of visits for these services. The Department shall ensure that primary care providers or the appropriate CCNC network are notified when a patient is nearing the established threshold to facilitate care coordination and intervention as needed.

Prenatal services, all EPSDT children, emergency room visits, and mental health visits subject to independent utilization review are exempt from the visit limitations contained in this subdivision. Subject to appropriate medical review, the Department may authorize exceptions when additional care is medically necessary. Routine or maintenance visits above the established visit limit will not be covered unless necessary to actively manage a life threatening disorder or as an alternative to more costly care options."

#### Session 2009

# DRAFT SPECIAL PROVISION



#### 2010-DHHS-H23A(S10.23)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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#### SPECIALTY DRUG PROVIDER NETWORK

**SECTION 10.23.** The Department of Health and Human Services shall work with providers to develop ways to reduce expenditures for specialty drugs, maintain best practices,

prevent overutilization, and allow for drug reimbursement rate negotiations for hemophilia,

hepatitis C, and intravenous immunoglobulin (IVIG) drugs.

#### Session 2009

## DRAFT SPECIAL PROVISION



2010-DHHS-H24(S10.24)i

# **Department of Health and Human Services Appropriations Subcommittee on Health and Human Services**

Requested by: Representative

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STATEWIDE EXPANSION OF CAPITATED 1915(B)/(C) BEHAVIORAL HEALTH 2 **WAIVERS** 

**SECTION 10.24.** The Division of Medical Assistance and the Division of Mental Health, Developmental Disabilities, and Substance Abuse Services may expand the capitated 1915(b)/(c) waivers which have been operating in the Piedmont Behavioral Healthcare Local Management Entity (LME) catchment area as a demonstration program since April 2005. The Divisions shall add additional LMEs to the waiver program as they demonstrate readiness to participate through a request for proposal process. The waiver program shall include all Medicaid-covered mental health, developmental disabilities, and substance abuse services.

Expansion of the waiver to additional LMEs shall be contingent upon approval by the Centers 10

11 for Medicare and Medicaid Services.

#### Session 2009

## DRAFT SPECIAL PROVISION

Services may be used to complete this study.

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2010-DHHS-H25(S10.25)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

Requested by: Representative STUDY MEDICAID PROVIDER RATES **SECTION 10.25.(a)** The Department of Health and Human Services, Division of Medical Assistance, shall initiate a study or contract out for a study of reimbursement rates for Medicaid providers and program benefits. The study shall include the following information: (1) A comparison of Medicaid reimbursement rates in North Carolina with reimbursement rates in surrounding states and with rates in two additional states; and A comparison of Medicaid program benefits in North Carolina with program (2) benefits provided in surrounding states and with rates in two additional states. Selected provider rates shall be studied for the initial report. **SECTION 10.25.(b)** The Department shall report its initial findings to the Governor, the Senate Appropriations Committee on Health and Human Services, the House of Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division by April 1, 2011. **SECTION 10.25.(c)** Funds appropriated to the Department of Health and Human

#### Session 2009

### DRAFT SPECIAL PROVISION



#### 2010-DHHS-H26(S10.26)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

### **MEDICAID FRAUD PREVENTION**

**SECTION 10.26.(a)** The Department of Health and Human Services (Department) is authorized to create a fraud prevention program that uses information, lawfully obtained, from State and private databases to develop a fraud risk analysis of Medicaid providers and recipients. This analysis would be used to prevent fraud before it takes place and to achieve cost avoidance savings. For the purposes of the fraud prevention program created pursuant to this subsection, State agencies shall provide the Department with access to their databases and the Department shall comply with all necessary security measures and restrictions to ensure that access to any specific information held confidential under federal and State law is limited to authorized persons.

**SECTION 10.26.(b)** The information obtained by the Department pursuant to subsection (a) of this section shall be privileged and confidential, is not a public record pursuant to G.S. 132-1, and may only be used for investigative or evidentiary purposes related to violations of State or federal law and regulatory activities. The Department shall release data collected pursuant to this section to the following persons only:

- (1) An individual who requests the individual's own Medicaid recipient information
- (2) A provider who requests the provider's Medicaid provider information.
- (3) Special agents of the North Carolina State Bureau of Investigation who are assigned to the Medicaid Fraud Investigations Unit. The SBI shall notify the Office of the Attorney General of North Carolina of each request for inspection of records maintained by the Department.
- (4) To a court pursuant to a lawful court order in a criminal action.

The Department may provide data to public or private entities for statistical, research, or educational purposes only after removing information that could be used to identify individual recipients or providers of Medicaid services.

**SECTION 10.26.(c)** Notwithstanding any other provision of law to the contrary, the Department may modify or extend existing contracts to achieve Medicaid fraud prevention savings in a timely manner, subject to review and approval by the Secretary of the Department of Administration. The requirements of G.S. 143-59 apply to contracts entered into, modified, or extended pursuant to this section.

**SECTION 10.26.(d)** The Department shall report on the activities conducted under this section, including actions taken relating to compliance with G.S. 143-59 and any contract modifications or extensions that are approved pursuant to this section to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, the Office of State Budget and Management, and the Fiscal Research Division on or before April 1, 2011.

**SECTION 10.26.(e)** The authority granted to the Department under this section expires one year following the effective date of this section. The Department shall destroy all records and information obtained pursuant to this section after five years. Any records or information turned over to the State Bureau of Investigation or a court of competent jurisdiction shall not be subject to the destruction requirements of this subsection.

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#### Session 2009

### DRAFT SPECIAL PROVISION



2010-DHHS-H27(S10.27)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

#### STUDY HIV MEDICAID WAIVER

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2 **SECTION 10.27.** By November 1, 2010, the Department of Health and Human 3 Services, Divisions of Medical Assistance and Public Health, shall jointly study and report to 4 the Senate Appropriations Committee on Health and Human Services, the House of 5 Representatives Appropriations Subcommittee on Health and Human Services, and the Fiscal Research Division on the financial and programmatic feasibility of reducing the waiting list for 6 7 the AIDS Drug Assistance Program (ADAP) by expanding eligibility for Medicaid to HIV-positive individuals with incomes at or below one hundred thirty-three percent (133%) of the federal poverty level. The study shall include an assessment of the cost-effectiveness of 9 using State dollars to expand Medicaid eligibility to this population as compared to using State 10 11 dollars for ADAP. The study may also consider any planning and coordination benefits the State may derive from expanding Medicaid eligibility to HIV-positive individuals, in 12 13 preparation for the expansion of Medicaid eligibility in calendar year 2014 to all individuals 14 with incomes at or below one hundred thirty-three percent (133%) of the federal poverty level. If, as a result of the study, the Divisions of Medical Assistance and Public Health conclude that 15 expanding Medicaid eligibility to HIV-positive individuals with incomes at or below one 16 17 hundred thirty-three percent (133%) of the federal poverty level is a cost-effective means for 18 the State to eliminate its ADAP waiting list, then the Division of Medical Assistance shall 19 apply to the Centers for Medicare and Medicaid Services (CMS) for an appropriate waiver to 20 implement this expansion in Medicaid eligibility. If approved by CMS, the Division shall not 21 implement the waiver except as authorized by an act of the General Assembly appropriating 22 funds for this purpose.

#### Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H28(S10.28)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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### ELIMINATE REIMBURSEMENT OF "NEVER EVENTS"

SECTION 10.28. The Department of Health and Human Services, Division of Medical Assistance, shall modify its Medicaid State Plan, as detailed by the Centers for Medicare and Medicaid Services in its July 31, 2008, letter to State Medicaid Directors, to ensure that inpatient hospital reimbursement is not provided for Hospital-Acquired Conditions (HACs) that are identified as nonpayable by Medicare. The State Plan Amendment addressing this "Never Event" modification shall apply to all Medicaid reimbursement provisions in section 4.19A of the North Carolina Medicaid State Plan governing inpatient hospital reimbursement, including Medicaid supplemental or enhanced payments and Medicaid disproportionate share hospital payments.

### Session 2009

# DRAFT SPECIAL PROVISION



## 2010-DHHS-H30(S10.30)-P

# **Department of Health and Human Services Appropriations Subcommittee on Health and Human Services**

Requested by: Representative

# AMEND MEDICAID RECIPIENT APPEALS PROCESS

**SECTION 10.30.(a)** Section 10.15A(h1) through (h6) of S.L. 2008-107, as amended by Section 3.13(b) of S.L. 2008-118, Section 2(a) of S.L. 2009-526, Section 2(b) of S.L. 2009-526, and by Section. 1.1(a) and (b) of S.L. 2009-550, reads as rewritten:

# "SECTION 10.15A.(h1)

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- General Rule. Notwithstanding any provision of State law or rules to the (1) contrary, this subsection shall govern the process used by a Medicaid applicant or recipient to appeal a determination made by the Department of Health and Human Services to deny, terminate, suspend, or reduce Medicaid covered services. For purposes of this subsection, the phrase "adverse determination" means a determination by the Department to deny, terminate, suspend, or reduce Medicaid covered services. For purposes of this subsection, all references to an applicant or recipient include the applicant or recipient's parent, guardian, or legal representative; however, notice need only be given to a parent, guardian, or legal representative who has requested in writing to receive the notice.
- (2) Notice. – Except as otherwise provided by federal law or regulation, at least 10 days before the effective date of an adverse determination, the Department shall notify the applicant or recipient, and the provider, if applicable, in writing of the determination and of the applicant's or recipient's right to appeal the determination. The notice shall be mailed on the date indicated on the notice as the date of the determination. The notice shall include:
  - An identification of the applicant or recipient whose services are being affected by the adverse determination, including full name and Medicaid identification number.
  - An explanation of what service is being denied, terminated, b. suspended, or reduced and the reason for the determination.
  - The specific regulation, statute, or medical policy that supports or c. requires the adverse determination.
  - The effective date of the adverse determination. d.
  - An explanation of the applicant's or recipient's right to appeal the e. Department's adverse determination in an evidentiary hearing before an administrative law judge.
  - An explanation of how the applicant or recipient can request a f. hearing and a statement that the applicant or recipient may represent himself or use legal counsel, a relative, or other spokesperson.

1 A statement that the applicant or recipient will continue to receive g. 2 Medicaid services at the level provided on the day immediately preceding the Department's adverse determination or the amount 3 requested by the applicant or recipient, whichever is less, if the 4 5 applicant or recipient requests a hearing before the effective date of the adverse determination. The services shall continue until the 6 7 hearing is completed and a final decision is rendered. 8 h. The name and telephone number of a contact person at the 9 Department to respond in a timely fashion to the applicant's or 10 recipient's questions. i. The telephone number by which the applicant or recipient may 11 12 contact a Legal Aid/Legal Services office. 13 The appeal request form described in subdivision (4) of this j. 14 subsection that the applicant or recipient may use to request a 15 16 (3) Appeals. – Except as provided by this subsection and subsection 10.15A(h2) of this act, a request for a hearing to appeal an adverse determination of the 17 18 Department under this section is a contested case subject to the provisions of 19 Article 3 of Chapter 150B of the General Statutes. The applicant or recipient 20 must request a hearing within 30 days of the mailing of the notice required 21 by subdivision (2) of this subsection by sending an appeal request form to 22 the Office of Administrative Hearings and the Department. Where a request 23 for hearing concerns the reduction, modification, or termination of Medicaid 24 services, upon the receipt of a timely appeal, the Department shall reinstate 25 the services to the level or manner prior to action by the Department as permitted by federal law or regulation. The Department shall immediately 26 27 forward a copy of the notice to the Office of Administrative Hearings 28 electronically. The information contained in the notice is confidential unless 29 the recipient appeals. The Office of Administrative Hearings may dispose of 30 the records after one year. The Department may not influence, limit, or 31 interfere with the applicant's or recipient's decision to request a hearing. 32 Appeal Request Form. – Along with the notice required by subdivision (2) (4) 33 of this subsection, the Department shall also provide the applicant or 34 recipient with an appeal request form which shall be no more than one side 35 of one page. The form shall include the following: 36 A statement that in order to request an appeal, the applicant or 37 recipient must send the form by mail or fax to the address or fax number listed on the form within 30 days of mailing of the notice. 38 39 The applicant's or recipient's name, address, telephone number, and b. 40 Medicaid identification number. 41 A preprinted statement that indicates that the applicant or recipient c. would like to appeal the specific adverse determination of which the 42 43 applicant or recipient was notified in the notice. 44 A statement informing the applicant or recipient that he or she may d. choose to be represented by a lawyer, a relative, a friend, or other 45 46 spokesperson. 47 A space for the applicant's or recipient's signature and date.

Final Decision. - After a hearing before an administrative law judge, the

judge shall return the decision and record to the Department in accordance

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with subsection 10.15A(h2) of this act. The Department shall make a final decision in the case within 20 days of receipt of the decision and record from the administrative law judge and promptly notify the applicant or recipient of the final decision and of the right to judicial review of the decision pursuant to Article 4 of Chapter 150B of the General Statutes.

# "SECTION 10.15A.(h2)

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- (1) Application. This subsection applies only to contested Medicaid cases commenced by Medicaid applicants or recipients under subsection 10.15A(h1) of this act. Except as otherwise provided by subsection 10.15A(h1) and this subsection governing time lines and procedural steps, a contested Medicaid case commenced by a Medicaid applicant or recipient is subject to the provisions of Article 3 of Chapter 150B. To the extent any provision in this subsection or subsection 10.15A(h1) of this act conflicts with another provision in Article 3 of Chapter 150B, this subsection and subsection 10.15A(h1) controls.
- Simple Procedures. Notwithstanding any other provision of Article 3 of (2) Chapter 150B of the General Statutes, the chief administrative law judge may limit and simplify the procedures that apply to a contested Medicaid case involving a Medicaid applicant or recipient in order to complete the case as quickly as possible. To the extent possible, the Office of Administrative Hearings shall schedule and hear all contested Medicaid cases within 55 days of submission of a request for appeal. Hearings shall be conducted telephonically or by video technology, however the recipient or applicant, or the recipient's or applicant's representative may request that the hearing be conducted before the administrative law judge in-person. An in-person hearing shall be conducted in Wake County, however for good cause shown, the in-person hearing may be conducted in the county of residence of the recipient or applicant. Good cause shall include but is not limited to the applicant's or recipient's impairments limiting travel or the unavailability of the applicant's or recipient's treating professional witnesses. The Department shall provide written notice to the recipient or applicant of the use of telephonic hearings, hearings by video conference, and in-person hearings before the administrative law judge, and how to request a hearing in the recipient's or applicant's county of residence. The simplified procedure may include requiring that all prehearing motions be considered and ruled on by the administrative law judge in the course of the hearing of the case on the merits. An administrative law judge assigned to a contested Medicaid case shall make reasonable efforts in a case involving a Medicaid applicant or recipient who is not represented by an attorney to assure a fair hearing and to maintain a complete record of the hearing. The administrative law judge may allow brief extensions of the time limits contained in this section for good cause and to ensure that the record is complete. Good cause includes delays resulting from untimely receipt of documentation needed to render a decision and other unavoidable and unforeseen circumstances. Continuances shall only be granted in accordance with rules adopted by the Office of Administrative Hearings, and shall not be granted on the day of the hearing, except for good cause shown. If a petitioner fails to make an appearance at a hearing that has been properly noticed via certified mail by the Office of

Administrative Hearings, the Office of Administrative Hearings shall immediately dismiss the contested case provision.

- (3) Mediation. – Upon receipt of an appeal request form as provided by subdivision 10.15A(h1)(4) of this act or other clear request for a hearing by a Medicaid applicant or recipient, the Office of Administrative Hearings shall immediately notify the Mediation Network of North Carolina which shall within five days contact the petitioner to offer mediation in an attempt to resolve the dispute. If mediation is accepted, the mediation must be completed within 25 days of submission of the request for appeal. Upon completion of the mediation, the mediator shall inform the Office of Administrative Hearings and the Department within 24 hours of the resolution by facsimile or electronic messaging. If the parties have resolved matters in the mediation, the case shall be dismissed by the Office of Administrative Hearings. The Office of Administrative Hearings shall not conduct any contested Medicaid cases hearings until it has received notice from the mediator assigned that either: (i) the mediation was unsuccessful, or (ii) the petitioner has rejected the offer of mediation, or (iii) the petitioner has failed to appear at a scheduled mediation. Nothing in this subdivision shall restrict the right to a contested case hearing.
- (4) Burden of Proof. The petitioner has the burden of proof to show entitlement to a requested benefit or the propriety of requested agency action when the agency has denied the benefit or refused to take the particular action. The agency has the burden of proof when the appeal is from an agency determination to impose a penalty or reduce, terminate, or suspend a benefit previously granted. The party with the burden of proof on any issue has the burden of going forward, and the administrative law judge shall not make any ruling on the preponderance of evidence until the close of all evidence.
- (4a) New Evidence.- The petitioner shall be permitted to submit evidence regardless of whether obtained prior to or subsequent to the Department's actions and regardless of whether the Department had an opportunity to consider the evidence in making its determination to deny, reduce, terminate or suspend a benefit. When such evidence is received, at the request of the Department, the administrative law judge shall continue the hearing for a minimum of 15 days and a maximum of 30 days to allow for the Department's review of the evidence. Subsequent to review of the evidence, if the Department reverses its original decision, it shall immediately inform the administrative law judge.
- (4b) Issue for Hearing.- For each penalty imposed or benefit reduced, terminated, or suspended, the hearing shall determine whether the Department substantially prejudiced the rights of the petitioner and if the Department, based upon evidence at the hearing:
  - a. Exceeded its authority or jurisdiction;
  - b. Acted erroneously:
  - c. Failed to use proper procedure;
  - d. Acted arbitrarily or capriciously; or,
  - e. Failed to act as required by law or rule.
- (5) Decision. The administrative law judge assigned to a contested Medicaid case shall hear and decide the case without unnecessary delay. The Office of

Administrative Hearings shall send a copy of the audiotape or diskette of the hearing to the agency within five days of completion of the hearing. The judge shall prepare a written decision and send it to the parties. The decision must be sent together with the record to the agency within 20 days of the conclusion of the hearing.

"SECTION 10.15A.(h3) From funds available to the Department of Health and Human Services for the 2008-20092010-2011 fiscal year, the sum of two one million dollars (\$2,000,000) (\$1,000,000) shall be transferred by the Department of Health and Human Services to the Office of Administrative Hearings (OAH). These funds shall be allocated by the Office of Administrative Hearings OAH for mediation services provided for Medicaid applicant and recipient appeals and to contract for other services necessary to conduct the appeals process. OAH shall continue the Memorandum of Agreement (MOA) with the Department of Health and Human Services for mediation services provided for Medicaid applicant and recipient appeals and contracted services necessary to conduct the appeals process. The MOA will facilitate the Department's ability to draw down federal Medicaid funds to support this administrative function. Upon receipt of invoices from OAH for covered services rendered in accordance with the MOA, the Department shall transfer the federal share of Medicaid funds drawn down for this purpose.

"SECTION 10.15A.(h4) Effective October 1, 2008, the Department of Health and Human Services shall discontinue its current informal appeals process for Medicaid applicants and recipients appealing a determination made by the Department to deny, terminate, suspend, or reduce Medicaid covered services. All such informal appeals by Medicaid applicants or recipients under the current system which are pending on that date and for which a hearing has not been held shall be discontinued and the applicant or recipient offered an opportunity to appeal to the Office of Administrative Hearings in accordance with the provisions of subsection 10.15A(h1) of this act. The Department shall make every effort to resolve or settle all of the backlogged cases prior to the effective date of this act.

"SECTION 10.15A.(h5) Nothing in this act shall prevent the Department of Health and Human Services from engaging in an informal review of the case with the applicant or recipient prior to issuing a notice of adverse determination as provided by subsection 10.15A(h1) of this act.

"SECTION 10.15A.(h6) The appeals process for Medicaid applicants and recipients established under this section shall expire July 1, 2010. The Department of Health and Human Services and the Office of Administrative Hearings shall each report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Subcommittee on Health and Human Services, the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the Fiscal Research Division on March 1, 2009, October 1, 2009, and March 1, 2010, on the costs, effectiveness, and efficiency of the appeals process for Medicaid applicants and recipients and make recommendations regarding the continuation of the process."

**SECTION 10.30.(b)** The Revisor of Statutes shall codify the statutes set forth in subsection (a) of this section.

**SECTION 10.30.(c)** Not later than October 1, 2011, the Department of Health and Human Services and the Office of Administrative Hearings (OAH) shall submit a report to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Subcommittee on Health and Human Services, the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services, and the Fiscal Research Division on the number, status, and outcome of contested Medicaid cases handled by OAH pursuant to the appeals process established in subsection (a)

- 1 of this section. The report shall include information on the number of contested Medicaid cases
- 2 resolved through mediations and through formal hearings, the outcome of settled and
- 3 withdrawn cases, and the number of incidences in which the Division of Medical Assistance
- 4 (DMA) reverses the decision of an administrative law judge along with DMA's rationale for the
- 5 reversal.

### Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H31(S10.31)i

# **Department of Health and Human Services Appropriations Subcommittee on Health and Human Services**

Requested by: Representative

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# ACCOUNTING FOR MEDICAID RECEIVABLES AS NONTAX REVENUE

**SECTION 10.31.** Section 10.64.(b) of S.L. 2009-451 reads as rewritten:

"SECTION 10.64.(b) For the 2009-2010 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred twenty-four million nine hundred ninety-four thousand nine hundred fifty-four dollars (\$124,994,954) with the Department of State Treasurer to be accounted for as nontax revenue. For the 2010-2011 fiscal year, the Department of Health and Human Services shall deposit from its revenues one hundred million dollars (\$100,000,000) one hundred thirty-five million dollars (\$135,000,000) with the Department of State Treasurer to be accounted for as nontax revenue. These deposits shall represent the return of General Fund appropriations provided to the Department of Health and Human Services to provide indigent care services at State-owned and operated mental hospitals. The treatment of any revenue derived from federal programs shall be in accordance with the requirements specified in the Code of Federal Regulations, Volume 2, Part 225."

### Session 2009

# DRAFT SPECIAL PROVISION



# 2010-DHHS-H32(S10.32)i

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

## MEDICAID PREFERRED DRUG LIST

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**SECTION 10.32.** Section 10.66.(c) of S.L. 2009-451 reads as rewritten:

"SECTION 10.66.(c) The Department, in consultation with the PAG, shall adopt and publish policies and procedures relating to the preferred drug list, including:

- (1) Guidelines for the presentation and review of drugs for inclusion on the preferred drug list,
- (2) The manner and frequency of audits of the preferred drug list for appropriateness of patient care and cost-effectiveness,
- (3) An appeals process for the resolution of disputes, and
- (4) Such other policies and procedures as the Department deems necessary and appropriate.

The Department and the pharmaceutical and therapeutics committee shall consider all therapeutic classes of prescription drugs for inclusion on the preferred drug list, except medications for treatment of human immunodeficiency virus or acquired immune deficiency syndrome shall not be subject to consideration for inclusion on the preferred drug list.

The Department shall maintain an updated preferred drug list in electronic format and shall make the list available to the public on the Department's Internet Web site.

The Department shall: (i) enter into a multistate purchasing pool; (ii) negotiate directly with manufacturers or labelers; (iii) contract with a pharmacy benefit manager for negotiated discounts or rebates for all prescription drugs under the medical assistance program; or (iv) effectuate any combination of these options in order to achieve the lowest available price for such drugs under such program.

The Department may negotiate supplemental rebates from manufacturers that are in addition to those required by Title XIX of the federal Social Security Act. The committee shall consider a product for inclusion on the preferred drug list if the manufacturer provides a supplemental rebate. The Department may procure a sole source contract with an outside entity or contractor to conduct negotiations for supplemental rebates."

### Session 2009

# DRAFT SPECIAL PROVISION



## 2010-DHHS-H33(S10.33)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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# MEDICAID PREFERRED DRUG LIST (PDL) REVIEW PANEL

**SECTION 10.33.(a)** The Secretary of the Department of Health and Human Services shall establish a Preferred Drug List (PDL) Policy Review Panel within 60 days after the effective date of this section. The purpose of the PDL Policy Review Panel is to review the Medicaid PDL recommendations from the Department of Health and Human Services, Division of Medical Assistance, and the Physician Advisory Group Pharmacy and Therapeutics (PAG P&T) Committee.

**SECTION 10.33.(b)** The Secretary shall appoint the following individuals to the review panel:

- (1) The Director of Pharmacy for the Division of Medical Assistance.
- (2) A representative from the PAG P&T Committee.
- (3) A representative from the Old North State Medical Society.
  - (4) A representative from the North Carolina Association of Pharmacists.
- (5) A representative from Community Care of North Carolina.
- (6) A representative from the North Carolina Psychiatric Association.
  - (7) A representative from the North Carolina Pediatric Society.
- (8) A representative from the North Carolina Academy of Family Physicians.
  - (9) A representative from the North Carolina Chapter of the American College of Physicians.
    - (10) A representative from a research-based pharmaceutical company.

Individuals appointed to the Review Panel, except for the Division's Director of Pharmacy, shall only serve a two-year term.

**SECTION 10.33.(c)** Within 30 days after the Department, in consultation with the PAG P&T Committee, publishes a proposed policy or procedure related to the Medicaid PDL, the Review Panel shall hold an open meeting to review the recommended policy or procedure along with any written public comments received as a result of the posting. The Review Panel shall provide an opportunity for public comment at the meeting. After the conclusion of the meeting, the Review Panel shall submit policy recommendations about the proposed Medicaid PDL policy or procedure to the Secretary.

### Session 2009

# DRAFT SPECIAL PROVISION



## 2010-DHHS-H34(S10.34)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

#### 1 LOCK NARCOTIC PRESCRIPTIONS INTO SINGLE PHARMACY/PROVIDER 2 SECTION 10.34. The Department of Health and Human Services, Division of 3 Medical Assistance, shall lock narcotic prescription medications provided to Medicaid 4 enrollees into a single pharmacy and provider, as follows: Enrollees may be prescribed narcotic medications by only one prescribing 5 (1) physician and may not change the prescribing physician at anytime without 6 7 prior approval or authorization by the Division. 8 Enrollees may have prescriptions for narcotic medications filled at only one (2) 9 pharmacy and may not change to another pharmacy at anytime without prior 10 approval or authorization by the Division.

### Session 2009

# DRAFT SPECIAL PROVISION



# 2010-DHHS-H49(S10.35)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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AUTHORIZE THE DIVISION OF MEDICAL ASSISTANCE TO TAKE CERTAIN STEPS TO EFFECTUATE COMPLIANCE WITH BUDGET REDUCTIONS IN THE MEDICAID PROGRAM

**SECTION 10.35.** Section 10.68A(a) of S.L. 2009-451, as amended by Section 5A of S.L. 2009-575, reads as rewritten:

"SECTION 10.68A.(a) For the purpose of enabling the Department of Health and Human Services, Division of Medical Assistance, to achieve the budget reductions enacted in this act for the Medicaid program, the Department may take the following actions, notwithstanding any other provision of this act or other State law or rule to the contrary and subject to the requirements of subsection (e) of this section:

- (1) Electronic transactions.
  - a. Within 60 days of notification of its procedures via the DMA Web site, Medicaid providers shall follow the Department's established procedures for securing electronic payments. No later than September 1, 2009, the Department shall cease routine provider payments by check.
  - b. Effective September 1, 2009, all Medicaid providers shall file claims electronically to the fiscal agent. Nonelectronic claims submission may be required when it is in the best interest of the Department.
  - c. Effective September 1, 2009, enrolled Medicaid providers shall submit Preadmission Screening and Annual Resident Reviews (PASARR) through the Department's Web-based tool or through a vendor with interface capability to submit data into the Web-based PASARR.
- (2) Clinical coverage. The Department of Health and Human Services, Division of Medical Assistance, shall amend applicable clinical policies and submit applicable State Plan amendments to CMS to implement the budget reductions authorized in the following clinical coverage areas in this act:
  - a. Consolidate and reduce Targeted Case Management and case management functions bundled within other Medicaid services.
  - b. Take appropriate action to lower the cost of HIV case management, including tightening service hours and limiting administrative costs. The Department shall maintain HIV case management as a stand-alone service outside of departmental efforts to consolidate case management services.
  - c. Eliminate coverage of therapeutic camps. The Department shall report on or before October 1, 2009, on the plan to transition children out of mental health residential therapeutic camps. The Department

1		shall submit the report to the Joint Legislative Oversight Committee
2		on Mental Health, Developmental Disabilities, and Substance Abuse
3		Services.
4	(3)	Medicaid Personal Care Service provision. – Upon the enactment of this act,
5		the Division of Medical Assistance shall implement the following new
6		criteria for personal care services (PCS):
7		a. Independent assessment by an entity that does not provide direct PCS
8		services for evaluation of the recipient prior to initiation of service.
9		The independent assessment will determine the qualifying Activities
10		of Daily Living (ADL), the level of assistance required, and the
11		amount and scope of PCS to be provided, according to policy
12		criteria.
13		b. Independent assessment or review from the assigned Community
14		Care of North Carolina (CCNC) physician of the continued
15		qualification for PCS services under the revised PCS policy criteria.
16		c. Establishment of time limits on physician service orders and
17		reauthorization in accordance with the recipient's diagnosis and
18		acuity of need.
19		d. Add the following items to the list of tasks that are not covered by
20		this service: nonmedical transportation, errands and shopping, money
21		management, cueing, and prompting, guiding, or coaching.
		e. Online physician attestation of medical necessity.
22 23 24		f. If sufficient reduction in cost is not achieved with the revised policy,
24		the Secretary shall direct the Division of Medical Assistance to
25		further modify the policy to achieve targeted cost savings.
25 26 27		g. Essential errands that are critical to maintaining the health and
27		welfare of the recipient may be approved on a case-by-case basis by
28		the DMA nurse assessor when there is no family member, other
29		individual, program, or service available to meet this need. Approval,
30		including the amount of time required to perform this task, shall be
31		documented on the recipient's assessment form and plan of care.
32		Recipients currently receiving PCS services shall be reviewed under the
33		above criteria, and those recipients not meeting the new criteria shall be
34		terminated from the service within 30 days of the review. The Department
35		shall conduct a study determining the cost effectiveness, efficiencies gained,
36		and challenges associated with transitioning the performance of independent
37		assessments for PCS to CCNC and shall report its findings to the House of
38		Representatives Appropriations Subcommittee on Health and Human
39		Services, the Senate Appropriations Committee on Health and Human
40		Services, and the Fiscal Research Division on or before January 1, 2011.
41	(4)	MH/DD/SA Personal Care and Personal Assistance Services Provision. – A
42	(.)	denial, reduction, or termination of Medicaid-funded personal care services
43		shall result in a similar denial, reduction, or termination of State-funded
44		MH/DD/SA personal care and personal assistance services.
45	(5)	Community Support and other MH/DD/SA services. – The Department of
46	(5)	Health and Human Services shall transition community support child and
47		adult, individual and group services to other defined services on or before
48		June 30, 2010. The Division of Medical Assistance and the Division of
49		MH/DD/SA shall take the steps necessary for the Medicaid and the

1 State-funded community support program to provide for transition and 2 discharge planning to recipients currently receiving community support 3 services. The following shall occur: 4 The Department shall submit to CMS: (i) revised service definitions 5 that separate case management functions from the Community Support definition and (ii) a new service definition for peer support 6 7 services for adults with mental illness and/or substance abuse 8 disorders, disorders, for implementation no sooner than January 1, 9 2011. 10 No new admissions for community support individual or group shall b. be allowed during this transition period unless the Department 11 12 determines appropriate alternative services are not available, in which case limited community support services may be provided 13 14 during the transition period. LMEs will be responsible for referring 15 eligible consumers to appropriate alternative services. 16 Authorizations currently in effect as of the date of enactment of this c. Any new authorization or subsequent 17 remain valid. 18 reauthorization is subject to the provisions of this act. 19 No community support services shall be provided in conjunction d. 20 with other enhanced services. Until CMS approves the new case 21 management definition, professional level community support may 22 be provided in conjunction with residential Level III and IV to assist 23 in recipient discharge planning. Up to a maximum of 24 hours of case management (professional level) functions may be provided 24 25 over a 90-day authorization period as approved by the prior 26 authorization vendor. 27 The current moratorium on community support provider e. 28 endorsement shall remain in effect. 29 A provider of community support services whose endorsement has f. 30 been withdrawn or whose Medicaid participation has been terminated 31 is not entitled to payment during the period the appeal is pending, 32 and the Department shall make no payment to the provider during 33 that period. If the final agency decision is in favor of the provider, 34 the Department shall remove the suspension, commence payment for 35 valid claims, and reimburse the provider for payments withheld 36 during the period of appeal. 37 Effective 60 days from the enactment of this act, the paraprofessional g. level of community support shall be eliminated, and from this date 38 39 the Department shall not use any Medicaid or State funds to pay for 40 this level of service. 41 Thirty days after the enactment of this act, any concurrent request h. shall be accompanied with a discharge plan. Submission of the 42 43 discharge plan will be a required document for a request to be 44 considered complete. Failure to submit the discharge plan will result in the request being returned as "unable to process." Discharge from 45 46 the service must occur within 90 days after the submission of the 47 discharge plan. Any community support provider that ceases to function as a 48 i. 49 provider shall provide written notification to DMA, the Local Management Entity, recipients, and the prior authorization vendor 30 days prior to closing of the business.

Medical and financial record retention is the responsibility of the

- j. Medical and financial record retention is the responsibility of the provider and shall be in compliance with the record retention requirements of their Medicaid provider agreement or State-funded services contract. Records shall also be available to State, federal, and local agencies.
- k. Failure to comply with notification, recipient transition planning, or record maintenance shall result in suspension of further payment until such failure is corrected. In addition, failure to comply shall result in denial of enrollment as a provider for any Medicaid or State-funded service. A provider (including its officers, directors, agents, or managing employees or individuals or entities having a direct or indirect ownership interest or control interest of five percent (5%) or more as set forth in Title XI of the Social Security Act) that fails to comply with the required record retention may be subject to sanctions, including exclusion from further participation in the Medicaid program, as set forth in Title XI.
- (6) Community Support Team. Authorization for a Community Support Team shall be based upon medical necessity as defined by the Department and shall not exceed 18 hours per week. The Division of Medical Assistance shall do an immediate rate study of the Community Support Team to bring the average cost of service per recipient in line with Assertive Community Treatment Team (ACTT) services. The Division shall also revise provider qualifications and tighten the service definition to contain costs in this line item. Not later than December 1, 2009, the Division of Medical Assistance shall report its findings on the rate study and any actions it has taken to conform with this subdivision to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services.
- (7) MH Residential. The Department of Health and Human Services shall restructure the Medicaid child mental health, developmental disabilities, and substance abuse residential services to ensure that total expenditures are within budgeted levels. All restructuring activities shall be in compliance with federal and State law or rule. The Divisions of Medical Assistance and Mental Health, Developmental Disabilities, and Substance Abuse Services shall establish a team inclusive of providers, LMEs, and other stakeholders to assure effective transition of recipients to appropriate treatment options. The restructuring shall address all of the following:
  - a. Submission of the therapeutic family service definition to CMS.
  - b. The Department shall reexamine the entrance and continued stay criteria for all residential services. The revised criteria shall promote least restrictive services in the home prior to residential placement. During treatment, there must be inclusion in community activities and parent or legal guardian participation in treatment.
  - c. Require all existing residential providers or agencies to be nationally accredited within one year of enactment of this act. Any providers enrolled after the enactment of this act shall be subject to existing endorsement and nationally accrediting requirements. In the interim,

1		providers who are nationally accredited will be preferred providers
2		for placement considerations.
3	d.	Before a child can be admitted to Level III or Level IV placement,
4		one or more of the following shall apply:
5		1. Placement shall be a step down from a higher level placement
6		such as a psychiatric residential treatment facility or inpatient.
7		inpatient; or
8		2. Multisystemic therapy or intensive in-home therapy services
9		have been <del>unsuccessful.unsuccessful; or</del>
10		3. The Child and Family Team has reviewed all other
11		alternatives and recommendations and recommends Level III
		or IV placement due to maintaining health and safety: safety;
12 13 14 15		or or
14		4. Transition or discharge plan shall be submitted as part of the
15		initial or concurrent request.
16	e.	Length of stay is limited to no more than 120 days. Any exceptions
17		granted will require an independent psychiatric assessment, Child
18		and Family Team review of goals and treatment progress, family or
19		discharge placement setting are actively engaged in treatment goals
20		and objectives and active participation of the prior authorization of
21		vendor. The Department shall study the effectiveness of the length of
22		stay limitation imposed pursuant to this sub-subdivision, and the
23		number of children staying in Level II, III, and IV facilities, and shall
21 22 23 24 25 26 27		report its findings to the Joint Legislative Oversight Committee on
25		Mental Health, Developmental Disabilities, and Substance Abuse
26		Services on or before January 1, 2011, and shall provide update
27		reports on the number of children in these facilities to the same
28		committee every six months thereafter for the following three-year
29		period.
30	f.	Submission of discharge plan is required in order for the request to
31		be considered complete. Failure to submit a complete discharge plan
32		will result in the request being returned as unable to process.
33	g.	Any residential provider that ceases to function as a provider shall
34	8.	provide written notification to DMA, the Local Management Entity,
35		recipients, and the prior authorization vendor 30 days prior to closing
36		of the business.
37	h.	Record maintenance is the responsibility of the provider and must be
38		in compliance with record retention requirements. Records shall also
39		be available to State, federal, and local agencies.
40	i.	Failure to comply with notification, recipient transition planning, or
41	1.	record maintenance shall be grounds for withholding payment until
12		such activity is concluded. In addition, failure to comply shall be
43		conditions that prevent enrollment for any Medicaid or State-funded
<del>1</del> 3		service. A provider (including its officers, directors, agents, or
<del>1                                    </del>		managing employees or individuals or entities having a direct or
<del>1</del> 5 16		indirect ownership interest or control interest of five percent (5%) or
<del>1</del> 7		more as set forth in Title XI of the Social Security Act) that fails to
48		comply with the required record retention may be subject to
		compression and required record recention may be subject to

1 sanctions, including exclusion from further participation in the 2 Medicaid program, as set forth in Title XI. 3 On or before October 1, 2009, the Department shall report on its plan j. for transitioning children out of Level III and Level IV group homes. 4 5 The Department shall submit the reports to the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, 6 7 and Substance Abuse Services. 8 (8) Reduce Medicaid rates. – Subject to the prior approval of the Office of State Budget and Management, the Secretary shall reduce Medicaid provider rates 9 to accomplish the reduction in funds for this purpose enacted in this act. In 10 exercising authority under this subdivision, the Secretary shall not reduce 11 12 Medicaid provider rates in excess of the amount required to achieve the budget reductions enacted in this act. The Secretary shall consider the impact 13 14 on access to care through primary care providers and critical access hospitals and may adjust the rates accordingly. The rate reduction applies to all 15 Medicaid private and public providers with the following exceptions: 16 federally qualified health clinics, rural health centers, State institutions, 17 18 hospital outpatient, pharmacies, and the noninflationary components of the case-mix reimbursement system for nursing facilities. Medicaid rates 19 20 predicated upon Medicare fee schedules shall follow Medicare reductions 21 but not Medicare increases unless federally required. Inflationary increases 22 for Medicaid providers paving provider fees (private ICF-MRs and nursing facilities) can occur if the State share of the increases can be funded with 23 24 provider fees. 25 (9) Medicaid identification cards. - The Department shall issue Medicaid 26 identification cards to recipients on an annual basis with quarterly updates. 27 (10)The Department of Health and Human Services shall develop a plan for the 28 consolidation of case management-services. services utilizing CCNC. The 29 plan shall address the time line and process for implementation, the vendors 30 involved, the identification of savings, and the Medicaid recipients affected 31 by the consolidation. Consolidation under this subdivision does not apply to 32 HIV case management. By December 1, 2009,2010, the Department shall 33 report on the plan to the House of Representatives Appropriations 34 Subcommittee on Health and Human Services, the Senate Appropriations 35 Committee on Health and Human Services, and the Fiscal Research 36 Division. 37 (11)For the purpose of promoting cost-effective utilization of outpatient mental 38 health services for children, DMA shall require prior authorization for 39 services following the sixteenth visit. 40 Provision of Medicaid Private Duty Nursing (PDN). – DMA shall change (12)the Medicaid Private Duty Nursing Program provided under the State 41 42 Medicaid Plan, as follows: 43 <u>a.</u> Restructure the current PDN Program to provide services that are: Provided only to qualified recipients under the age of 21. 44 1. Authorized by the recipient's primary care or attending 45 <u>2.</u> 46 physician. 47 Limited to 16 hours of service per day, unless additional <u>3.</u>

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services are required to correct or ameliorate defects and

1		physical and mental illnesses and conditions as defined in 42
2		<u>U.S.C. § 1396d(r)(5).</u>
3	<u>4.</u>	Approved based on an initial assessment and continuing need
4		reassessments performed by an Independent Assessment
5		Entity (IAE) that does not provide PDN services and
6		authorized in amounts that are medically necessary based on
7		the recipient's medical condition, amount of family assistance
8		available, and other relevant conditions and circumstances, as
9		defined by the Medicaid Clinical Coverage Policy for this
10		service.
11	<u>5.</u>	Provided in accordance with a plan of care approved by DMA
12		or its designee.
13	<u>b.</u> <u>Develo</u>	op and submit to CMS a § 1915(c) Home and
14	Comm	nunity-Based Services Waiver for individuals dependent on
15	<u>techno</u>	ology to substitute for a vital body function.
16	<u>c.</u> Once	approved by CMS and upon approval of the Medicaid Clinical
17	Cover	age Policy, transition all qualified recipients age 21 and older
18	curren	tly receiving PDN to waiver services provided under the
19	<u>Techn</u>	ology Dependent Waiver."

# Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H51-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

1

# MEDICAID WAIVER FOR ASSISTED LIVING

2 **SECTION #.** The Division of Medical Assistance shall develop and implement a 1915(c) Home and Community Based Services assisted living waiver in order to continue 3 4 Medicaid funding of personal care services to individuals in adult care homes. All adult care 5 home residents who receive State-County Special Assistance and meet the criteria for nursing facility level of care shall be eligible for participation in the waiver. Waiver services shall be 6 7 delivered according to the acuity level of adult care home residents. The Division of Medical Assistance shall develop a new Medicaid payment methodology for waiver services that shall be associated with the acuity-based service delivery model. Implementation of the assisted living waiver shall be contingent upon approval by the Centers for Medicare and Medicaid 10 11 Services.

# Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H44-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

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6

SENIOR SERVICES: PROJECT C.A.R.E. (CAREGIVER ALTERNATIVES TO RUNNING ON EMPTY)

**SECTION** #. Of the funds appropriated to the Department of Health and Human Services, Division of Aging and Adult Services, for the 2010-2011 fiscal year, the sum of two hundred thousand dollars (\$200,000) in recurring funds shall be used to support Alzheimer's-related activities consistent with the goals of Project Caregiver Alternatives To Running On Empty (Project C.A.R.E.). The Division of Aging and Adult Services shall annually develop and implement a plan for use of these funds and beginning October 1, 2010, and annually thereafter, report the plan to the Governor's Advisory Council on Aging, the North

10 Carolina Study Commission on Aging, and the Fiscal Research Division.

# Session 2009

# DRAFT SPECIAL PROVISION



2010-DHHS-H37(S10.37)-P

# Department of Health and Human Services Appropriations Subcommittee on Health and Human Services

**Requested by:** Representative

1	DHHS BLOCK GRANTS
2	SECTION 10.37.(a) Appropriations from federal block grant funds are made for
3	the fiscal year ending June 30, 2011, according to the following schedule:

TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF) FUNDS

Local Program Expenditures

4

5

8 9	Local Program Expenditures		
10	Divis	ion of Social Services	
11			
12	01.	Work First Family Assistance	\$78,047,502
13			
14	02.	Work First County Block Grants	94,453,315
15			
16	03.	Work First Electing Counties	2,378,213
17			
18	04.	Work First – Boys and Girls Clubs	2,000,000
19	0.7	W. 1. Fi	
20	05.	Work First – After-School Services	2 000 000
21		for At-Risk Children	2,000,000
22 23	06.	Work First After Cohool Drograms	
23 24	00.	Work First – After-School Programs for At-Risk Youth in Middle Schools	550,000
25		101 At-Risk 1 Outil ill ivilddie Schools	330,000
26	07.	Work First – Connect, Inc. (Work Central)	1,000,000
27	07.	work i list – connect, inc. (work central)	1,000,000
28	08.	Work First – Citizens Schools Program	360,000
29	00.	Work I have Conzent Schools I Togram	200,000
30	09.	Adoption Services – Special Children's Adoption Fund	3,000,000
31			, ,
32	10.	Family Violence Prevention	2,200,000
33		·	
34	11.	Child Protective Services – Child Welfare	
35		Workers for Local DSS	14,452,391
36			
37	12.	Child Welfare Collaborative	1,129,115
38			

1	12A.	Children's Home Society	200,000
2 3	Divisi	on of Child Development	
4 5 6	13.	Subsidized Child Care Program	61,087,077
7 8	Divisi	on of Public Health	
9 10	14.	Teen Pregnancy Initiatives	450,000
11 12	DHHS Ac	lministration	
13 14	15.	Division of Social Services	1,093,176
15 16	16.	Office of the Secretary	75,392
17 18	Transfers	to Other Block Grants	
19 20		on of Child Development	
21 22	17.	Transfer to the Child Care and Development Fund	84,330,900
23 24 25	Divisi	on of Social Services	
26 27 28	18.	Transfer to Social Services Block Grant for Child Protective Services – Child Welfare Training in Counties	2,300,000
29 30 31 32	19.	Transfer to Social Services Block Grant for Maternity Homes	943,002
33 34 35	20.	Transfer to Social Services Block Grant for Teen Pregnancy Prevention Initiatives	2,500,000
36 37 38	21.	Transfer to Social Services Block Grant for County Departments of Social Services for Children's Services	4,500,000
39 40 41	22.	Transfer to Social Services Block Grant for Foster Care Services	390,000
42 43 44	TOTAL T (TANF) F	TEMPORARY ASSISTANCE TO NEEDY FAMILIES FUNDS	\$359,440,083
45 46 47	EMERGE	ARY ASSISTANCE TO NEEDY FAMILIES (TANF) ENCY CONTINGENCY FUNDS RECEIVED THROUGH ERICAN RECOVERY AND REINVESTMENT ACT (ARRA)	
48 49	Local Pro	gram Expenditures	

1 2	Divisi	on of Social Services	
3	DIVISI	on of social services	
4	01.	Work First Family Assistance	\$ 9,780,494
5 6 7	Divisi	on of Child Development	
8 9	02.	Subsidized Child Care	23,625,329
10 11	Depar	tment of Public Instruction	
12 13	03.	More at Four	32,986,721
14	TOTAL	TEMPORARY ASSISTANCE TO NEEDY FAMILIES (TANF)	
15		ENCY CONTINGENCY FUNDS RECEIVED THROUGH THE	
16		AN RECOVERY AND REINVESTMENT ACT (ARRA)	\$66,392,544
17			. , ,
18	SOCIAL	SERVICES BLOCK GRANT	
19			
20	Local Pro	gram Expenditures	
21			
22	Divisi	ons of Social Services and Aging and Adult Services	
23			
24	01.	County Departments of Social Services	\$ 28,868,189
25		(Transfer from TANF – \$4,500,000)	
26			
27	02.	State In-Home Services Fund	2,101,113
28			
29	03.	State Adult Day Care Fund	2,155,301
30			
31	04.	Child Protective Services/CPS Investigative	
32		Services-Child Medical Evaluation Program	609,455
33	0 =		
34	05.	Foster Care Services	2,372,619
35		(Transfer from TANF – \$390,000)	
36	0.6	Maria II (The Control Transfer	0.42.002
37	06.	Maternity Homes (Transfer from TANF)	943,002
38	07		500,000
39	07.	Special Children Adoption Incentive Fund	500,000
40 41	08.	Child Protective Services-Child Welfare Training	
42	06.	for Counties	2 200 000
42		(Transfer from TANF)	2,300,000
43 44		(Transfer from TAINT)	
45	09.	Home and Community Care Block Grant (HCCBG)	1,834,077
46	U).	Tionic and Community Care Diock Grant (TICCDG)	1,034,077
<del>4</del> 0 47	Divici	on of Mental Health, Developmental Disabilities, and Substance	
48	D1 V 151	Abuse Services	
49			
•			

1	10.	Mental Health Services Program	422,003
2 3 4	11.	Developmental Disabilities Services Program	5,000,000
5 6 7 8	12.	Mental Health Services-Adult and Child/Developmental Disabilities Program/ Substance Abuse Services-Adult	3,234,601
9 10	Divisi	on of Child Development	
11 12	13.	Subsidized Child Care Program	1,156,744
13 14	Divisi	on of Vocational Rehabilitation	
15 16 17	14.	Vocational Rehabilitation Services – Easter Seal Society/UCP Community Health Program	188,263
18 19	Divisi	on of Public Health	
20 21 22	15.	Teen Pregnancy Prevention Initiatives (Transfer from TANF)	2,500,000
23 24	DHHS Pr	ogram Expenditures	
25 26	Divisi	on of Aging and Adult Services	
27 28	16.	UNC-CARES Training Contract	247,920
29 30	Divisi	on of Services for the Blind	
31 32	17.	Independent Living Program	3,633,077
33 34	Divisi	on of Health Service Regulation	
35 36	18.	Adult Care Licensure Program	411,897
37 38	19.	Mental Health Licensure and Certification Program	205,668
39 40	DHHS A	dministration	
41 42	20.	Division of Aging and Adult Services	688,436
42 43 44	21.	Division of Social Services	892,624
45 46	22.	Office of the Secretary/Controller's Office	138,058
46 47 48	23.	Office of the Secretary/DIRM	87,483
48 49	24.	Division of Child Development	15,000

1				
2	25.	Division of Mental Health, Developmental		
3		Disabilities, and Substance Abuse Services	29,665	
4				
5	26.	Division of Health Service Regulation	235,625	
6	27.	Office of the Secretary NC Inter Agency Council		
7 8	21.	Office of the Secretary-NC Inter-Agency Council for Coordinating Homeless Programs	250,000	
9		for Coordinating Homeless Frograms	230,000	
10	28.	Office of the Secretary	48,053	
11			,	
12	Transfers	s to Other State Agencies		
13				
14	Depa	rtment of Administration		
15	20	NG G		
16 17	29.	NC Commission of Indian Affairs In-Home	202 109	
18		Services for the Elderly	203,198	
19	Transfers	s to Other Block Grants		
20	Transfer	to other block ording		
21	Divis	ion of Public Health		
22				
23	30.	Transfer to Preventive Health Services Block Grant		
24		for HIV/STD Prevention and Community Planning	145,819	
25	TOTAL		Φ 61 417 000	
26 27	TOTAL	SOCIAL SERVICES BLOCK GRANT	\$ 61,417,890	
28	I OW-IN	COME HOME ENERGY ASSISTANCE BLOCK GRANT		
29	LOW-IN	COME HOME ENERGY ASSISTANCE BLOCK GRANT		
30	Local Pro	ogram Expenditures		
31				
32	Divis	ion of Social Services		
33				
34	01.	Low-Income Energy Assistance Program (LIEAP)	\$ 70,909,401	
35	00		40 272 220	
36 37	02.	Crisis Intervention Program (CIP)	40,373,328	
38	Local Ad	lministration		
39	Eocul I Id			
40	Divis	ion of Social Services		
41				
42	03.	County DSS Administration	6,362,505	
43	D1111~ :			
44 45	DHHS Administration			
45 46	04.	Division of Social Services	275 000	
46 47	04.	Division of Social Scivices	275,000	
48	05.	Division of Mental Health, Developmental		
49		Disabilities, and Substance Abuse Services	8,128	
		•	,	

1			
2	06.	Office of the Secretary/DIRM	276,784
3	07		10.222
4 5	07.	Office of the Secretary/Controller's Office	12,332
6	Transfers	s to Other State Agencies	
7	Transfer	, to Giner State rigeneres	
8	Depa	rtment of Commerce	
9			
10	08.	Weatherization Program	500,000
11 12	09.	Hasting Air Danair and Danlacement	
13	09.	Heating Air Repair and Replacement Program (HARRP)	8,103,157
14		riogram (marca)	0,103,137
15	10.	Local Residential Energy Efficiency Service	
16		Providers – Weatherization	25,000
17			
18	11.	Local Residential Energy Efficiency Service	
19		Providers – HARRP	266,375
20	10	December of Community Administration	
21 22	12.	Department of Commerce Administration – Weatherization	25,000
23		Weatherization	25,000
24	13.	Department of Commerce Administration –	
25	10.	HARRP	266,375
26			,
27	14.	Department of Administration –	
28		N.C. State Commission of Indian Affairs	129,807
29			
30	TOTAL :	LOW DIGONE HONE ENED GW A GGYGT ANGE	
31		LOW-INCOME HOME ENERGY ASSISTANCE	¢ 107 522 100
32 33	BLOCK	GRANI	\$ 127,533,192
34	CHILD (	CARE AND DEVELOPMENT FUND BLOCK GRANT	
35	CITED	ENGLIND DE VELOT MENT I OND BEOCK GRANT	
36	Local Pro	ogram Expenditures	
37			
38	Divis	ion of Child Development	
39			
40	01.	Subsidized Child Care Services (CCDF)	\$153,889,889
41	00		5.47.600
42 43	02.	Contract Subsidized Child Care Services Support	547,600
43 44	03.	Subsidized Child Care Services	
45	03.	(Transfer from TANF)	84,330,900
46		(	01,550,500
47	04.	Quality and Availability Initiatives	23,726,564
48		·	
49	05.	TEACH	3,800,000

1			
1	Divis	ion of Copial Commisso	
2 3	DIVIS	ion of Social Services	
4	06.	Local Subsidized Child Care Services Support	\$19,340,596
5	00.	Local Subsidized Child Care Services Support	\$19,340,390
6	ринс у	dministration	
7	DIIIIS A	uninistration	
8	Divie	ion of Child Development	
9	DIVIS	ion of Cinia Development	
10	07.	DCD Administrative Expenses	6,539,277
11	07.	Ded Administrative Expenses	0,557,211
12	Divie	ion of Central Administration	
13	DIVIS	ion of Central Administration	
14	08.	DHHS Central Administration – DIRM	
15	00.	Technical Services	774,317
16		reclinical Services	774,317
17	TOTAL (	CHILD CARE AND DEVELOPMENT FUND	
18	BLOCK		\$292,949,143
19	DLOCK	Oldini	Ψ2/2,/π/,1π3
20	CHII D (	CARE AND DEVELOPMENT FUND BLOCK GRANT	RECEIVED THROUGH
21		ERICAN RECOVERY AND REINVESTMENT ACT (AF	
22	11112 7 1101	EMERICAL RESOURCE (III	dd i)
23	Local Pro	ogram Expenditures	
24	Locarri	7gram Expenditures	
25	Divis	ion of Child Development	
26	DIVIS	ion of Child Development	
27	01.	Subsidized Child Care Services (CCDF)	\$5,980,997
28	01.	Substance Cinia Care Services (CCD1)	ψ2,200,227
29	02.	Electronic Benefits Transfer System	4,000,000
30	02.	Dicetonic Benefits Transfer System	1,000,000
31	DHHS P	rogram Expenditures	
32	21111011	2. Appliantists	
33	Divis	ion of Child Development	
34	21115	ion of Cima Be veropinem	
35	03.	Quality and Availability Initiatives	2,904,787
36	05.	Quanty and 11 variating initiatives	2,501,707
37	TOTAL	CHILD CARE AND DEVELOPMENT FUND	
38	_	GRANT RECEIVED THROUGH THE AMERICAN	
39		ERY AND REINVESTMENT ACT (ARRA)	\$12,885,784
40			, - <u>-</u> ,, · - ·
41	MENTA	L HEALTH SERVICES BLOCK GRANT	
42			
43	Local Pro	ogram Expenditures	
44		20 mm = 17 mm m m m	
45	01.	Mental Health Services – Adult	\$ 6,706,212
46			
47	02.	Mental Health Services – Child	5,421,991
48	•		, ,
49	03.	Mental Health Services – UNC School	

1		of Medicine, Department of Psychiatry	150,000
2 3			,
	04.	Administration	100,000
4 5 6	TOTAL I	MENTAL HEALTH SERVICES BLOCK GRANT	\$ 12,378,203
7 8 9		NCE ABUSE PREVENTION EATMENT BLOCK GRANT	
10 11	Local Pro	ogram Expenditures	
12 13	Divis	ion of Mental Health, Developmental Disabilities, and Su	ubstance Abuse Services
14 15	01.	Substance Abuse Services – Adult	\$ 22,008,080
16 17 18	02.	Substance Abuse Treatment Alternative for Women	8,107,303
19 20	03.	Substance Abuse – HIV and IV Drug	5,116,378
21 22	04.	Substance Abuse Prevention – Child	7,186,857
23 24	05.	Substance Abuse Services – Child	4,940,500
25 26	06.	Institute of Medicine	250,000
27 28	07.	Administration	250,000
29 30	Divis	ion of Public Health	
31 32	08.	Risk Reduction Projects	633,980
33 34	09.	Aid-to-Counties	209,576
35 36 37		SUBSTANCE ABUSE PREVENTION EATMENT BLOCK GRANT	\$ 48,702,674
38 39	MATER	NAL AND CHILD HEALTH BLOCK GRANT	
40 41	Local Pro	ogram Expenditures	
42 43	Divis	ion of Public Health	
44 45	01.	Children's Health Services	7,534,865
46 47	02.	Women's Health	7,701,691
48 49	03.	Oral Health	38,041

1	DHHS Program Expenditures							
2 3 4	Division of Public Health							
5	04.	Children's Health Services	1,368,778					
6 7 8	05.	Women's Health	135,452					
9 10	06.	State Center for Health Statistics	179,483					
11 12	07.	Quality Improvement in Public Health	14,646					
13 14	08.	Health Promotion	88,746					
15 16	09.	Office of Minority Health	55,250					
17 18	10.	Immunization Program – Vaccine Distribution	382,648					
19 20	DHHS Administration							
21 22	Division of Public Health							
23 24	11.	Division of Public Health Administration	631,966					
25	TOTAL MATERNAL AND CHILD							
26 27	HEALIF	HEALTH BLOCK GRANT \$ 18,131,566						
28 29	PREVENTIVE HEALTH SERVICES BLOCK GRANT							
30 31	Local Program Expenditures							
32 33	Divis	Division of Public Health						
34 35	01.	NC Statewide Health Promotion	\$1,730,653					
36 37	02.	Services to Rape Victims	197,112					
38 39	03.	HIV/STD Prevention and Community Planning (Transfer from Social Services Block Grant)	145,819					
40 41	DHHS Program Expenditures							
42 43	Division of Public Health							
44 45	04.	NC Statewide Health Promotion	1,623,117					
46 47	05.	Oral Health	70,000					
48 49	06.	State Laboratory of Public Health	16,600					

1								
2 3	TOTAL PREVENTIVE HEALTH SERVICES BLOCK GRANT \$3,783,301							
4 5	COMMUNITY SERVICES BLOCK GRANT							
6 7	Local Program Expenditures							
8 9	Office of Economic Opportunity							
10 11	01.	Comn	nunity Action Agencies	\$ 17,968,944				
12 13	02.	Limite	ed Purpose Agencies	998,275				
14 15	DHHS Administration							
16 17	03.	Office	of Economic Opportunity	998,274				
18 19	TOTAL C	COMMI	JNITY SERVICES BLOCK GRANT	\$ 19,965,493				
20 21 22	COMMUNITY SERVICES BLOCK GRANT RECEIVED THROUGH THE AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA)							
23 24	Local Program Expenditures							
25 26	Office of Economic Opportunity							
27 28	01.	Comn	nunity Action Agencies	\$ 10,000,000				
29 30 31 32	RECEIVE	ED THE	JNITY SERVICES BLOCK GRANT ROUGH THE AMERICAN RECOVERY IMENT ACT (ARRA)	\$ 10,000,000				
33 34	GENERA		OVISIONS TON 10.37 (b) Information to Re Included in Rio	ok Grant Plans Tha				
35 36	<b>SECTION 10.37.(b)</b> Information to Be Included in Block Grant Plans. – The Department of Health and Human Services shall submit a separate plan for each Block Grant received and administered by the Department, and each plan shall include the following:							
37 38		(1)	A delineation of the proposed allocations by program State and federal match requirements.	•				
39 40 41		(2) (3)	A delineation of the proposed State and local administration of all new positions to be established from the proposed State and local administration of all new positions to be established from the proposed State and local administration of the proposed State administration of the proposed State administration of the proposed State administration of the	shed through the Block				
42 43 44		Grant, including permanent, temporary, and time-limited positions.  (4) A comparison of the proposed allocations by program or activity with two prior years' program and activity budgets and two prior years' actual program or activity expenditures.						
45 46		<ul> <li>(5) A projection of current year expenditures by program or activity.</li> <li>(6) A projection of federal Block Grant funds available, including unspent</li> </ul>						
47 48 49	United St	federal funds from the current and prior fiscal years.  SECTION 10.37.(c) Changes in Federal Fund Availability. – If the Congress of the United States increases the federal fund availability for any of the Block Grants or contingency						
マノ	omica St	aco IIIC	icases the rederal fund availability for any of the Dioci	a Grants of Contingency				

funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall allocate the increase proportionally across the program and activity appropriations identified for that Block Grant in this section. In allocating an increase in federal fund availability, the Office of State Budget and Management shall not approve funding for new programs or activities not appropriated in this section.

If the Congress of the United States decreases the federal fund availability for any of the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services from the amounts appropriated in this section, the Department shall reduce State administration by at least the percentage of the reduction in federal funds. After determining the State administration, the remaining reductions shall be allocated proportionately across the program and activity appropriations identified for that Block Grant in this section. The Office of State Budget and Management shall report on these changes.

Prior to allocating the change in federal fund availability, the proposed allocation must be approved by the Office of State Budget and Management. If the Department adjusts the allocation of any Block Grant due to changes in federal fund availability, then a report shall be made to the Joint Legislative Commission on Governmental Operations, the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division.

**SECTION 10.37.(d)** Appropriations from federal Block Grant funds are made for the fiscal year ending June 30, 2011, according to the schedule enacted for State fiscal year 2010-2011 or until a new schedule is enacted by the General Assembly.

SECTION 10.37.(e) All changes to the budgeted allocations to the Block Grants or contingency funds and other grants related to existing Block Grants administered by the Department of Health and Human Services that are not specifically addressed in this section shall be approved by the Office of State Budget and Management, and the Office of State Budget and Management shall consult with the Joint Legislative Commission on Governmental Operations for review prior to implementing the changes. The report shall include an itemized listing of affected programs, including associated changes in budgeted allocations. All changes to the budgeted allocations to the Block Grants shall be reported immediately to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division. This subsection does not apply to Block Grant changes caused by legislative salary increases and benefit adjustments.

## TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) FUNDS

**SECTION 10.37.(f)** The sum of one million ninety-three thousand one hundred seventy-six dollars (\$1,093,176) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for the 2010-2011 fiscal year shall be used to support administration of TANF-funded programs.

**SECTION 10.37.(g)** The sum of two million two hundred thousand dollars (\$2,200,000) appropriated under this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for the 2010-2011 fiscal year shall be used to provide domestic violence services to Work First recipients. These funds shall be used to provide domestic violence counseling, support, and other direct services to clients. These funds shall not be used to establish new domestic violence shelters or to facilitate lobbying efforts. The Division of Social Services may use up to seventy-five thousand dollars (\$75,000) in

TANF funds to support one administrative position within the Division of Social Services to implement this subsection.

Each county department of social services and the local domestic violence shelter program serving the county shall develop jointly a plan for utilizing these funds. The plan shall include the services to be provided and the manner in which the services shall be delivered. The county plan shall be signed by the county social services director or the director's designee and the domestic violence program director or the director's designee and submitted to the Division of Social Services by December 1, 2010. The Division of Social Services, in consultation with the Council for Women, shall review the county plans and shall provide consultation and technical assistance to the departments of social services and local domestic violence shelter programs, if needed.

The Division of Social Services shall allocate these funds to county departments of social services according to the following formula: (i) each county shall receive a base allocation of five thousand dollars (\$5,000); and (ii) each county shall receive an allocation of the remaining funds based on the county's proportion of the statewide total of the Work First caseload as of July 1, 2010, and the county's proportion of the statewide total of the individuals receiving domestic violence services from programs funded by the Council for Women as of July 1, 2010. The Division of Social Services may reallocate unspent funds to counties that submit a written request for additional funds.

**SECTION 10.37.(h)** The sum of two million dollars (\$2,000,000) appropriated in this section in TANF funds to the Department of Health and Human Services, Division of Social Services, for the 2010-2011 fiscal year shall be used to expand after-school programs and services for at-risk children. The Department shall develop and implement a grant program to award grants to community-based programs that demonstrate the ability to reach children at risk of teen pregnancy, school dropout, and gang participation. The Department shall award grants to community-based organizations that demonstrate the ability to develop and implement linkages with local departments of social services, area mental health programs, schools, and other human services programs in order to provide support services and assistance to the child and family. These funds may be used to fund one position within the Division of Social Services to coordinate at-risk after-school programs and shall not be used for other State administration.

**SECTION 10.37.(i)** The sum of fourteen million four hundred fifty-two thousand three hundred ninety-one dollars (\$14,452,391) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for the 2010-2011 fiscal year for child welfare improvements shall be allocated to the county departments of social services for hiring or contracting staff to investigate and provide services in Child Protective Services cases; to provide foster care and support services; to recruit, train, license, and support prospective foster and adoptive families; and to provide interstate and postadoption services for eligible families.

**SECTION 10.37.(j)** The sum of three million dollars (\$3,000,000) appropriated in this section in TANF funds to the Department of Health and Human Services, Special Children Adoption Fund, for the 2010-2011 fiscal year shall be used in accordance with G.S. 108A-50.2, as enacted in Section 10.48 of S.L. 2009-451. The Division of Social Services, in consultation with the North Carolina Association of County Directors of Social Services and representatives of licensed private adoption agencies, shall develop guidelines for the awarding of funds to licensed public and private adoption agencies upon the adoption of children described in G.S. 108A-50 and in foster care. Payments received from the Special Children Adoption Fund by participating agencies shall be used exclusively to enhance the adoption services program. No local match shall be required as a condition for receipt of these funds.

**SECTION 10.37.(k)** The sum of five hundred fifty thousand dollars (\$550,000) appropriated in this section to the Department of Health and Human Services, Division of Social Services, in TANF funds for the 2010-2011 fiscal year shall be used to expand after-school programs for at-risk children attending middle school. The Department shall develop and implement a grant program to award funds to community-based programs demonstrating the capacity to reach children at risk of teen pregnancy, school dropout, and gang participation. These funds shall not be used for training or administration at the State level. All funds shall be distributed to community-based programs, focusing on those communities where similar programs do not exist in middle schools.

**SECTION 10.37.(I)** In implementing the use of TANF funds, the Department of Health and Human Services shall review policies, programs, and initiatives to ensure that they support men in their role as fathers and strengthen fathers' involvement in their children's lives. The Department shall encourage county departments of social services to ensure their Work First programs emphasize responsible fatherhood and increased participation by noncustodial fathers.

**SECTION 10.37.(m)** The sum of one million dollars (\$1,000,000) appropriated in this section to the Department in TANF funds for the 2010-2011 fiscal year shall be transferred to Connect, Inc. Connect, Inc., shall report on the number of people served and the services received as a result of the receipt of funds. The report shall contain expenditure data, including the amount of funds used for administration and direct training. The report shall also include the number of people who have been employed as a direct result of services provided by Connect, Inc., including the length of employment in the new position. The Department of Health and Human Services shall evaluate the program and ensure that services provided are not duplicative of local employment security commissions in the nine counties served by Connect, Inc. The evaluation report shall be submitted to the House of Representatives Appropriations Subcommittee on Health and Human Services, the Senate Appropriations Committee on Health and Human Services, and the Fiscal Research Division no later than May 1, 2011.

**SECTION 10.37.(n)** The sum of two million dollars (\$2,000,000) appropriated in this section to the Department in TANF funds for Boys and Girls Clubs for the 2010-2011 fiscal year shall be used to make grants for approved programs. The Department of Health and Human Services, in accordance with federal regulations for the use of TANF funds, shall administer a grant program to award funds to the Boys and Girls Clubs across the State in order to implement programs that improve the motivation, performance, and self-esteem of youths and to implement other initiatives that would be expected to reduce gang participation, school dropout, and teen pregnancy rates. The Department shall encourage and facilitate collaboration between the Boys and Girls Clubs and Support Our Students, Communities in Schools, and similar programs to submit joint applications for the funds if appropriate.

**SECTION 10.37.(o)** The sum of one million one hundred twenty-nine thousand one hundred fifteen dollars (\$1,129,115) appropriated in this section to the Department of Health and Human Services in TANF funds for the 2010-2011 fiscal year shall be used to continue support for the Child Welfare Collaborative.

**SECTION 10.37.(p)** The sum of three hundred sixty thousand dollars (\$360,000) appropriated to the Department of Health and Human Services, Division of Social Services, under this section in TANF funds for the 2010-2011 fiscal year shall be used to continue support for the Citizens Schools Program, a three-year urban/rural dropout prevention pilot program in the Durham and Vance County public school systems.

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# TEMPORARY ASSISTANCE FOR NEEDY FAMILIES (TANF) EMERGENCY CONTINGENCY FUNDS

**SECTION 10.37.(q)** The sum of twenty-three million six hundred twenty-five thousand three hundred twenty-nine dollars (\$23,625,329) appropriated under this section from TANF Emergency Contingency funds to the Department of Health and Human Services, Division of Child Development, for the 2010-2011 fiscal year shall be used for subsidized child care services. Payment for subsidized child care services provided with TANF Emergency Contingency funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

**SECTION 10.37.(r)** The sum of nine million seven hundred eighty thousand four hundred ninety-four dollars (\$9,780,494) appropriated under this section from TANF Emergency Contingency funds to the Department of Health and Human Services, Division of Social Services, for the 2010-2011 fiscal year shall be used to support assistance payments provided under the Work First Family Assistance program.

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# SOCIAL SERVICES BLOCK GRANT

**SECTION 10.37.(s)** Social Services Block Grant funds appropriated to the North Carolina Inter-Agency Council for coordinating homeless programs and child medical evaluations are exempt from the provisions of 10A NCAC 71R .0201(3).

**SECTION 10.37.(t)** The sum of two million three hundred thousand dollars (\$2,300,000) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for the 2010-2011 fiscal year shall be used to support various child welfare training projects as follows:

- (1) Provide a regional training center in southeastern North Carolina.
- (2) Provide training for residential child caring facilities.
- (3) Provide for various other child welfare training initiatives.

**SECTION 10.37.(u)** The sum of nine hundred forty-three thousand two dollars (\$943,002) appropriated in this section to the Department of Health and Human Services in the Social Services Block Grant for the 2010-2011 fiscal year shall be used to support maternity home services.

**SECTION 10.37.(v)** The sum of two million three hundred seventy-two thousand six hundred nineteen dollars (\$2,372,619) appropriated in this section in the Social Services Block Grant for child caring agencies for the 2010-2011 fiscal year shall be allocated in support of State foster home children.

**SECTION 10.37.(w)** The Department of Health and Human Services is authorized, subject to the approval of the Office of State Budget and Management, to transfer Social Services Block Grant funding allocated for departmental administration between divisions that have received administrative allocations from the Social Services Block Grant.

**SECTION 10.37.(x)** Social Services Block Grant funds appropriated for the Special Children's Adoption Incentive Fund will require a fifty percent (50%) local match.

**SECTION 10.37.(y)** The sum of four hundred twenty-two thousand three dollars (\$422,003) appropriated in this section in the Social Services Block Grant to the Department of Health and Human Services, Division of Social Services, for the 2010-2011 fiscal year shall be used to continue a Mental Health Services Program for children.

## LOW-INCOME HOME ENERGY ASSISTANCE BLOCK GRANT

**SECTION 10.37.(z)** Additional emergency contingency funds received may be allocated for Energy Assistance Payments or Crisis Intervention Payments without prior consultation with the Joint Legislative Commission on Governmental Operations. Additional

funds received shall be reported to the Joint Legislative Commission on Governmental Operations and the Fiscal Research Division upon notification of the award. The Department of Health and Human Services shall not allocate funds for any activities, including increasing administration, other than assistance payments, without prior consultation with the Joint Legislative Commission on Governmental Operations.

## CHILD CARE AND DEVELOPMENT FUND BLOCK GRANT

**SECTION 10.37.(aa)** Payment for subsidized child care services provided with federal TANF funds shall comply with all regulations and policies issued by the Division of Child Development for the subsidized child care program.

**SECTION 10.37.(bb)** If funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

**SECTION 10.37.(cc)** If American Recovery and Reinvestment Act of 2009 funds appropriated through the Child Care and Development Fund Block Grant for any program cannot be obligated or spent in that program within the obligation or liquidation periods allowed by the federal grants, the Department may move funds to child care subsidies, unless otherwise prohibited by federal requirements of the grant, in order to use the federal funds fully.

### SUBSTANCE ABUSE PREVENTION AND TREATMENT BLOCK GRANT

**SECTION 10.37.(dd)** The sum of two hundred fifty thousand dollars (\$250,000) appropriated in this section in the Substance Abuse Prevention and Treatment Block Grant to the Department of Health and Human Services, Division of Mental Health, Developmental Disabilities, and Substance Abuse Services, for the 2010-2011 fiscal year for the North Carolina Institute of Medicine (NCIOM) shall be used to study the following:

- (1) The availability of Medicaid and State-funded mental health, developmental disabilities, and substance abuse services to active duty, reserve, and veteran members of the military and National Guard. The study should discuss the current availability of services, the extent of use, and any gaps in services.
- (2) Issues related to cost, quality, and access to appropriate and affordable health care for all North Carolinians. The North Carolina Institute of Medicine (NCIOM) may use funds appropriated for the 2007-2009 fiscal biennium to continue the work of its Health Access Study Group to study these issues. The Health Access Study Group may include in its study the matters contained in Sections 31.1, 31.2, and 31.3 of S.L. 2008-181 and also may monitor federal health-related legislation to determine how the legislation would impact costs, quality, and access to health care.
- (3) Short-term and long-term strategies to address issues within adult care homes that provide residence to persons who are frail and elderly and to persons suffering from mental illness.

The Institute shall make an interim report to the Governor's Office, the Joint Legislative Health Care Oversight Committee, and the Joint Legislative Oversight Committee on Mental Health, Developmental Disabilities, and Substance Abuse Services no later than January 15, 2011, which may include recommendations and proposed legislation, and shall issue its final report with findings, recommendations, and suggested legislation to the 2011 General Assembly upon its convening. In the event members of the General Assembly serve on

the NCIOM Health Access Study Group, they shall receive per diem, subsistence, and travel allowances in accordance with G.S. 120-3.1. The Health Access Study Group may include in its study the matters contained in Sections 31.1, 31.2, and 31.3 of S.L. 2008-181 and also may monitor federal health-related legislation to determine how the legislation would impact costs, quality, and access to health care.

## MATERNAL AND CHILD HEALTH BLOCK GRANT

**SECTION 10.37.(ee)** If federal funds are received under the Maternal and Child Health Block Grant for abstinence education, pursuant to section 912 of Public Law 104-193 (42 U.S.C. § 710), for the 2010-2011 fiscal year, then those funds shall be transferred to the State Board of Education to be administered by the Department of Public Instruction. The Department of Public Instruction shall use the funds to establish an abstinence until marriage education program and shall delegate to one or more persons the responsibility of implementing the program and G.S. 115C-81(e1)(4) and (4a). The Department of Public Instruction shall carefully and strictly follow federal guidelines in implementing and administering the abstinence education grant funds.

**SECTION 10.37.(ff)** The Department of Health and Human Services shall ensure that there will be follow-up testing in the Newborn Screening Program.